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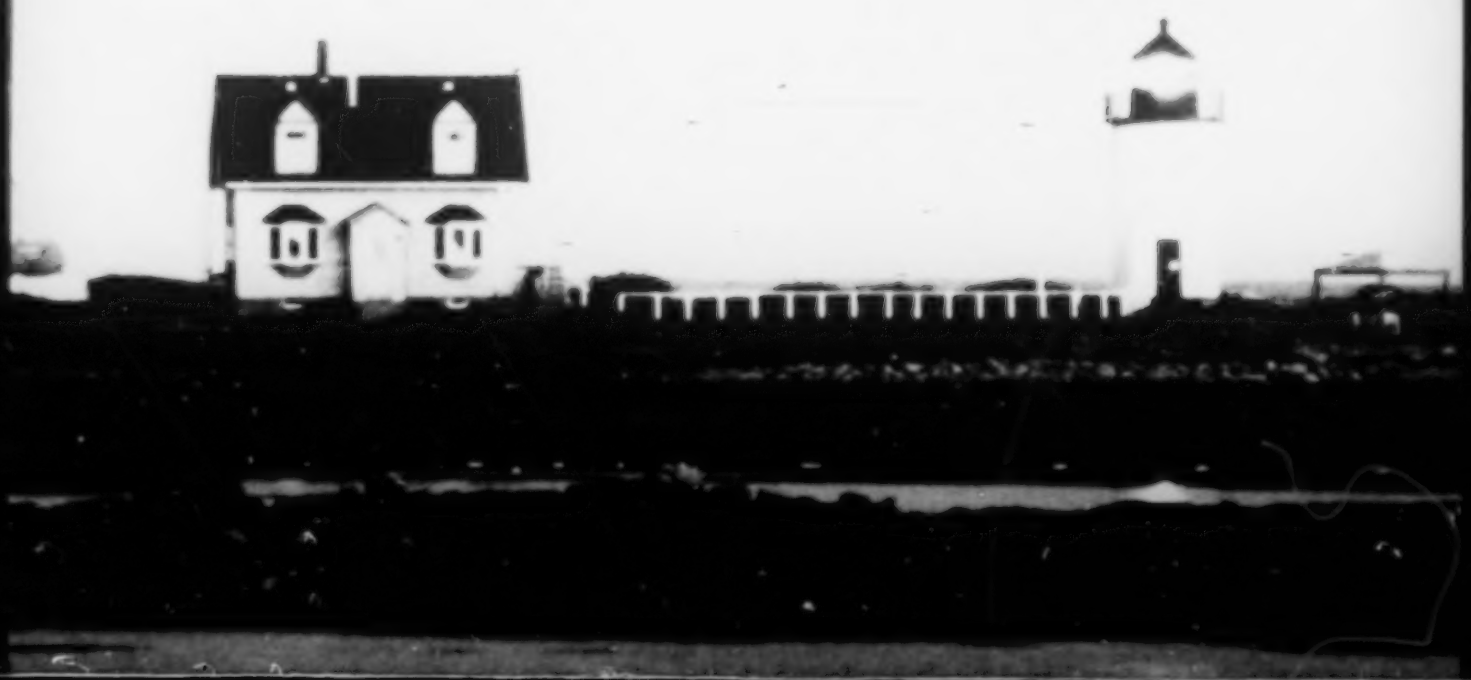
Financial Report

FISCAL YEAR ENDED JUNE 30, 1988

STATE OF MAINE

DAVID A. BOURNE, STATE CONTROLLER



STATE
OF
MAINE

FINANCIAL REPORT

FOR PERIOD
JULY 1, 1987 TO JUNE 30, 1988

DEPARTMENT OF FINANCE
Bureau of Accounts and Control

DAVID A. BOURNE
STATE CONTROLLER

Printed Under Appropriation 1031.1

Special thanks to the Maine Office of Tourism, Department of Economic and Community Development, for providing us with the photographs used on the cover and throughout this publication.

Jean E. Mehlmore
Commissioner

David A. Bourne
State Controller

STATE OF MAINE

DEPARTMENT OF FINANCE
BUREAU OF ACCOUNTS AND CONTROL

Governor John R. McKernan, Jr.,
Members of the Legislature,
and Other Citizens of Maine

In accordance with Title 5, Maine Revised Statutes Annotated, Section 1547, the accompanying Financial Report of the State of Maine is submitted for the fiscal year ended June 30, 1988.

The first section of the report consists of the General Purpose Financial Statements for all funds reported in accordance with generally accepted accounting principles. Generally accepted accounting principles for the Governmental Funds uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as current assets. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to generally accepted accounting principles in these financial statements include accumulated unpaid vacation and sick leave which has not been recorded, and interest on general long-term debt which is recognized when due.

The second section is reported as it has been in the past, based upon the budgetary and legal requirements. Please refer to Note 7 of the General Notes to the Financial Statements for the reconciliation of the fund balances betweens the two sections. Comparative budgetary data and statistical information have also been included in this report to promote a better understanding of the State's finances.

Questions and comments about this report or any phase of State finances are always welcome.

Sincerely,

David A. Bourne
State Controller

Victor E. Fleury
Deputy State Controller

State House Station 14, Augusta, Maine 04333
Telephone 207-289-3781

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(THE GENERAL NOTES ON PAGES 11-18 ARE AN INTEGRAL PART OF ALL THE FINANCIAL STATEMENTS PRESENTED IN THIS REPORT.)

NOTE: THE AMOUNTS IN THE FINANCIAL STATEMENTS HAVE BEEN ROUNDED, THEREFORE, SOME COLUMNS MAY NOT ADD BY MINOR AMOUNTS.

Joseph Devenney

FINANCIAL SECTION I

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

EXHIBIT GAAP I

ALL FUNDS

COMBINED BALANCE SHEET
June 30, 1988

	GOVERNMENTAL		
	General	Highway	Other Special Revenue
ASSETS AND AMOUNTS TO BE PROVIDED			
Equity in Treasurer's Cash Pool	$266,747,875	$29,606,512	$ 76,354,011
Cash - Other	133,032	37,275	21,775
Investments	-	-	-
Deposit with United States Treasury	-	-	-
Federal Grants Receivable	-	-	10,017,180
Accounts and Notes Receivable, Net of Allowance for Possible Losses	43,519,101	7,249,432	19,260,157
Due from Other Funds	570,534	401,511	4,470,024
Annuities	-	-	-
Inventories	-	-	-
Prepaid Expenses and Other Assets	3,839,940	1,053,294	1,080,374
Working Capital Advances in Other Funds	4,386,000	13,182,114	-
Advance from Highway Garage	127,089	-	-
Land, Buildings and Equipment	-	-	-
Amount Available in Debt Service Funds	-	-	-
Amount to be Provided for Retirement of General Long Term Debt	-	-	-
	$319,323,571	$51,530,138	$111,203,521
LIABILITIES AND EQUITY			
Liabilities:			
Accounts Payable	$ 22,341,668	$ 1,202,195	$ 16,119,456
Due to Other Funds	8,296,990	990,753	918,091
Accrued Payrolls	10,045,255	3,447,846	4,839,342
Other Liabilities	3,695,471	43,172	4,198,458
Bonds Payable	-	-	-
Working Capital Advances Payable	-	-	200,000
Total Liabilities	44,379,384	5,683,966	26,275,347
Equity:			
Investment in General Fixed Assets	-	-	-
Reserved for Encumbrances	14,334,258	3,626,308	22,471,628
Designated for Subsequent Years Expenditures	42,154,813	6,274,013	67,295,889
Designated for Working Capital Advances	4,386,000	13,182,114	-
Designated for Other Purposes	66,664,039	637,336	-
Reserve Annuities			
Rainy Day Fund	25,000,000	-	-
Contributed Capital	-	-	-
Retained Earnings (Deficit)	-	-	-
Unappropriated Fund Balance	122,405,076	22,126,401	(4,839,342)
Total Equity	274,944,186	45,846,172	84,928,175
	$319,323,571	$51,530,138	$ 11,203,521

FUNDS		OTHER FUNDS			ACCOUNT GROUPS	
Proceeds of Bonds	Debt Service	Enterprise	Internal Service	Trust and Agency	General Long Term Debt	General Fixed Assets
$82,779,189	$ 3,949,500	$ 12,039,389	$ 9,663,703	$ 81,830,482	$ -	$ -
-	926,716	1,027,296	4,700	73,847,155	-	-
-	-	-	-	1,258,006,307	-	-
-	-	-	-	153,287,878	-	-
-	-	-	-	-	-	-
-	-	3,917,601	90,764	1,203,446	-	-
-	-	2,961	5,314,341	-	-	-
-	-	1,618,971	-	-	-	-
-	-	7,512,505	5,752,810	-	-	-
152	-	33,775	75,356	884,480	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	9,858,589	17,650,460	-	-	299,039,837
-	-	-	-	-	4,551,046	-
-	308,275,000	-	-	-	303,723,954	-
$82,779,341	$313,151,216	$ 36,011,087	$38,552,133	$1,569,059,748	$308,275,000	$299,039,837
$28,366,722	$ -	$ 7,547,750	$ 2,395,438	$ 9,253,838	$ -	$ -
152	-	214,989	324,402	13,994	-	-
-	-	447,046	254,397	97,581	-	-
-	586,716	1,212,071	4,219,859	42,830,367	-	-
-	308,615,000	-	-	-	308,275,000	-
-	-	-	13,383,114	-	-	-
28,366,874	309,201,716	9,421,856	20,577,210	52,195,780	308,275,000	0
-	-	-	-	-	-	299,039,837
16,965,179		-	-	-	-	-
37,447,288	3,949,500					
-	-	3,985,000	573,952	-	-	-
-	-	-	-	1,516,863,968	-	-
		1,618,971				
-	-	-	-	-	-	-
-	-	36,408,642	4,912,035	-	-	-
-	-	(15,423,379)	12,743,333	-	-	-
-	-	-	(254,397)	-	-	-
54,412,467	3,949,500	26,589,234	17,974,923	1,516,863,968	0	299,039,837
$82,779,341	$313,151,216	$ 36,011,087	$38,552,133	$1,569,059,748	$ 308,275,000	$299,039,837

GAAP II

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF RESOURCES, EXPENDITURES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 1988

	Total (Memorandum Only)
REVENUES	
Taxes	
Unorganized Territories Tax	$ 13,409,839
Inheritance and Estate Tax	11,912,752
Individual Income Tax	509,105,808
Corporate Income Tax	84,544,766
Sales and Use Tax	491,935,557
Gasoline, Use Fuel and Motor Carrier Tax	100,112,908
Vehicle Registration and Drivers Licenses	57,832,104
Cigarette Tax	41,690,781
Public Utilities Tax	50,059,535
Insurance Company Tax	36,226,490
Hunting, Fishing and Related Licenses	10,642,971
Other Taxes	29,859,571
Total Taxes	1,437,333,082
Income from Investments	21,090,669
From Federal Government	561,753,155
From Cities, Towns and Counties	4,197,178
Service Charge for Current Services	48,124,443
Transferred from Bureau of Alcoholic Beverages	33,820,065
Transferred from Lottery Commission	27,243,708
Other Revenues	70,655,584
	766,884,802
OTHER FINANCIAL RESOURCES	
Proceeds of General Obligation Bonds	37,770,000
Other	29,403,518
Total Revenues and Resources	2,271,391,401
EXPENDITURES	
General Government	244,586,252
Economic Development	58,592,547
Education and Culture	707,126,964
Human Services	743,541,565
Manpower	35,556,332
Natural Resources	61,413,888
Public Protection	44,706,011
Transportation	217,675,142
Other	-
Other Accrued Expenses	(236,135)
Total Expenditures	2,112,962,566
Excess Resources Over (Under) Expenditures	158,428,836
FUND EQUITY JULY 1, 1987	345,907,420
Adjustment Prior Year Equity	(40,255,756)
FUND EQUITY JUNE 30, 1988	$464,080,500

General Fund	Highway Fund	Other Special Revenue	Proceeds of Bonds	Debt Service
$ 5,820,484	$ -	$ 7,589,355	$ -	$ -
11,912,752	-	-	-	-
482,869,679	-	26,236,129	-	-
80,800,948	-	3,743,819	-	-
464,147,726	-	27,787,831	-	-
272,084	98,470,480	1,370,344	-	-
-	47,832,104	-	-	-
41,690,781	-	-	-	-
45,531,780	-	4,527,755	-	-
31,371,723	-	4,854,767	-	-
-	-	10,642,971	-	-
15,070,415	967,983	13,821,173	-	-
1,179,488,372	157,270,567	100,574,144	0	0
12,921,258	1,228,417	2,818,039	92,710	4,030,244
337,477	-	561,415,678	-	-
791,102	3,258	3,402,818	-	-
16,250,206	8,208,145	21,581,537	-	2,084,555
28,291,180	-	5,528,885	-	-
27,243,708	-	-	-	-
26,398,152	873,473	43,383,958	-	-
112,233,083	10,313,293	638,130,915	92,710	6,114,799
-	-	-	37,770,000	-
35,867,650	4,931,744	(8,407,126)	112,796	(3,101,546)
1,327,589,105	172,515,604	730,297,933	39,975,506	3,013,253
127,106,342	12,928,408	99,188,953	3,267,353	2,095,195
20,839,845	90,917	37,661,785	-	-
633,188,684	-	68,154,109	5,784,172	-
352,964,605	-	366,366,854	4,190,076	-
3,686,278	-	31,870,054	-	-
19,479,671	-	30,262,743	11,671,474	-
14,581,962	16,212,776	13,911,273	-	-
4,218,589	138,519,767	73,683,841	1,252,944	-
-	-	-	-	-
(86,882)	(486,019)	964,646	(627,880)	-
1,175,979,094	167,265,849	742,084,288	25,538,139	2,095,195
151,610,011	5,249,755	(11,786,355)	12,437,367	918,058
163,589,932	40,596,417	96,714,530	41,975,099	3,031,442
(40,255,756)				
$ 274,944,187	$ 45,846,172	$ 84,928,175	$54,412,466	$ 3,949,500

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF RESOURCES, EXPENDITURES AND OTHER RESOURCES
ACTUAL AND BUDGET
GENERAL, HIGHWAY AND OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1988

	GENERAL FUND	
	Actual	**Budget**
REVENUES		
Taxes	$1,179,488,371	$1,083,087,189
Income from Investments	12,921,258	10,703,525
Intergovernmental Revenue	1,128,579	1,279,163
Service Charges for Current Services	16,250,206	20,555,410
Transferred from Alcoholic Beverage and Lottery Commissions	55,534,888	54,323,450
Other Revenues	26,398,153	24,001,770
Total Revenues	1,291,721,455	1,193,950,507
Other Financial Resources (Uses)	35,867,650	-
	-	-
TOTAL REVENUES AND RESOURCES	1,327,589,105	1,193,950,507
EXPENDITURES		
General Government	127,106,342	138,551,225
Economic Development	20,839,845	23,716,598
Education and Culture	633,188,684	639,964,512
Human Services	352,964,605	368,742,876
Manpower	3,686,278	3,770,369
Natural Resources	19,479,671	21,817,431
Public Protection	14,581,962	16,796,033
Transportation	4,218,589	17,642,869
Other Accrued Expenses	(86,882)	-
TOTAL EXPENDITURES	1,175,979,094	1,231,001,913
Excess Resources Over (Under) Expenditures	151,610,011	(37,051,406)
FUND EQUITY JULY 1, 1987	163,589,931	128,604,836
Adjustment Prior Year Equity	(40,255,756)	(41,589,044)
FUND EQUITY JUNE 30, 1988	$ 274,944,186	$ 49,964,386

HIGHWAY FUND		OTHER SPECIAL REVENUE FUNDS	
Actual	**Budget**	**Actual**	**Budget**
$157,270,567	$148,382,286	$100,574,144	$ 104,954,101
1,228,417	1,400,000	2,818,039	771,060
3,258	63,500	564,818,496	653,073,108
8,208,145	7,480,998	21,581,537	32,812,023
-	-	5,528,885	5,300,000
873,473	1,587,156	43,383,958	41,734,858
167,583,860	158,913,940	738,705,059	838,645,150
5,382,222	29,500,000	(8,407,125)	-
-	-	-	-
172,966,082	188,413,940	730,297,934	838,645,150
12,928,408	14,087,140	99,188,953	118,100,315
90,917	-	37,661,785	63,172,735
-	-	68,154,109	88,973,620
-	-	386,386,884	427,350,327
-	-	31,870,054	48,196,607
-	-	30,262,743	45,808,994
16,212,776	17,502,824	13,911,273	17,202,828
138,510,767	157,369,182	73,683,842	89,314,682
(486,019)	-	964,646	-
167,265,849	188,959,146	742,084,289	898,120,108
5,700,233	(545,206)	(11,786,355)	(59,474,958)
40,596,417	13,916,942	96,714,530	(52,996,895)
$ 46,296,650	$ 13,371,736	$ 84,928,175	$(112,471,853)

GAAP IV

ENTERPRISE AND INTERNAL SERVICE FUNDS

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS FOR THE YEAR ENDED JUNE 30, 1988

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
REVENUES		
Sales	$157,708,046	$ -
Intergovernmental Billings	-	43,648,373
Gross Income	157,708,046	43,648,373
Cost of Goods Sold	95,799,053	19,976,519
Net Income	61,908,993	23,671,854
Fees and Licenses	14,392,754	-
	76,301,747	23,671,854
EXPENDITURES		
Personal Services	8,320,996	11,693,945
General Operating Expenses	8,508,652	8,535,757
Depreciation	573,875	5,274,332
	17,403,523	25,504,034
Net Operating Income	58,898,224	(1,832,180)
NON-OPERATING REVENUE (EXPENSES)		
Adjustment of Prior Year Transactions	-	862,073
Interest Income	537,101	-
Other Non-Operating Income	1,639,490	1,545,591
Interest Expense	-	(328,153)
	2,176,591	2,079,511
Net Income	61,074,815	247,331
RETAINED EARNINGS (DEFICIT) JULY 1, 1987	(15,434,422)	12,674,679
TRANSFERRED TO OTHER FUNDS	(61,063,773)	(433,074)
RETAINED EARNINGS (DEFICIT) JUNE 30, 1988	$ (15,423,380)	$12,488,936

ENTERPRISE AND INTERNAL SERVICE FUNDS

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 1988

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
SOURCE OF FUNDS		
Net Income	$ 61,074,815	$ 247,330
Add: Depreciation	573,875	5,274,332
	61,648,690	5,521,662
Transferred from Governmental Funds	2,173,328	991
	63,822,018	5,522,653
APPLICATION OF FUNDS		
Purchase of Plant and Equipment	1,728,977	6,059,175
Transferred to Other Funds	61,097,056	-
	62,826,033	6,059,175
Increase (Decrease) in Working Capital	$ 995,985	$ (536,522)
ANALYSIS OF CHANGES IN WORKING CAPITAL		
Increase (Decrease) in Current Assets		
Cash	$ 1,145,023	$(1,589,043)
Accounts Receivable	1,325,530	1,485,334
Inventories	400,658	(490,231)
Other Assets	(156,155)	30,590
	2,715,056	(563,350)
Decrease (Increase) in Current Liabilities		
Accounts Payable	(1,459,759)	327,594
Other Current Liabilities	(259,312)	(300,766)
	(1,719,071)	26,828
Increase (Decrease) in Working Capital	$ 995,985	$ (536,522)

TRUST FUNDS

COMBINED STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1988

	Expendable Trusts		Non-Expendable Trusts
	Retirement System	Other	
REVENUES AND OTHER ADDITIONS			
Contributions			
Individuals	$ 93,917,684	$ 91,286,102	$ -
Employee Contributions	157,073,486	1,684,838	-
University of Maine System and Maine Maritime Academy	-	124,804,265	-
Cities, Towns and Counties	28,450,173	130,813,802	-
Interest and Dividends	55,930,625	3,828,997	-
Gain (Loss) on Sales of Investments	21,654,785	924,217	276,796
Other Additions or Adjustments	(107,627)	7,944,451	28,301
Total Additions	356,919,126	361,286,672	305,097
EXPENDITURES AND OTHER DEDUCTIONS			
Benefit Payments	145,696,829	-	-
Refunds and Interest Allowed	46,858,374	-	-
Health and Group Life Insurance	3,262,837	6,964,017	-
Payroll Taxes and Deductions	-	117,932,441	-
Administrative Expenses	3,267,764	80,480	-
Refunds of Trust Deposits, Other Disbursements and Transfers	1,233,998	207,512,622	-
Total Deductions	200,319,802	332,489,560	0
Net Additions	156,599,324	28,797,112	305,097
FUND BALANCE JULY 1, 1987	1,136,693,976	185,182,124	9,286,333
FUND BALANCE JULY 1, 1988	$1,293,293,300	$213,979,236	$ 9,591,430

GENERAL NOTES TO THE FINANCIAL STATEMENTS

STATE OF MAINE

Maine is the largest and most northern of the six New England states. Its land area of approximately 33,215 square miles supports over one million year-round residents. Maine's shoreline is the longest on the east coast, extending nearly 3,500 miles.

The structure of the Maine economy is very similar to that of the nation as a whole, except that Maine has proportionately more activity in manufacturing (particularly in the paper and shoe industries) and tourism, and less activity in finance and mining.

In recent years, the Maine economy has outperformed the nation's by most measures. Employment growth has been faster in Maine for several years, and in 1988, unemployment in Maine was below the national average for the eighth consecutive year. Also, the State has improved its per capita income ranking from 46th in 1979 to 31st in 1987. And, not surprisingly, retail sales growth in Maine has consistently surpassed the national average in recent years.

The government of the State of Maine is divided into three distinct branches: the legislative, executive and judicial. The Legislative body consists of 35 Senators and 151 members of the House of Representatives, all of whom are elected for two year terms. The Governor is elected to a four year term of office.

GENERAL COMMENTS

The General Purpose Financial Statements and accompanying notes provide an overview of the financial position of the State and operating results for the year then ended June 30, 1988. The financial statements include all activities and programs that are controlled by or dependent on the State's executive or legislative branches. Control by or dependence on the State was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the State, and the State's obligation to fund any deficit that may occur.

Based on the foregoing criteria, the following activities and programs are excluded from the State's financial statements:

University of Maine
Maine Maritime Academy
Maine Turnpike Authority
Maine Municipal Bond Bank
Finance Authority of Maine
Maine Housing Authority
Maine School Building Authority
Maine Veterans Home
Maine Health/Higher Education Facilities Authority

NOTE 1—FINANCIAL STATEMENTS AND DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS

Financial Statements: The accompanying financial statements of the State of Maine present the financial position of the various fund types and account groups, the results of operations of the various fund types and the changes in financial position of the proprietary funds and fiduciary funds.

NOTE 1—FINANCIAL STATEMENTS AND DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS—*Continued*

Fund Accounting: Generally accepted accounting principles require that governmental operations be reflected in several funds or account groups each of which is considered a separate fiscal and accounting entity with self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, including interfund balances and transactions.

Types of Funds: The following funds and account groups are used by the State:

GOVERNMENTAL FUNDS

General Fund—to account for all financial resources except those to be accounted for in another fund.

Special Revenue Funds—to account for the proceeds of specific revenue sources that are expended for specified purposes.

Highway Fund—to account for revenues derived from registration of motor vehicles, operators' licenses, gasoline tax, (except for federal matching funds). This fund is allocated by the Legislature for the operation of the Department of Transportation to construct and maintain highways and bridges, other allied programs and a portion of the State Police administration.

Other Special Revenue Fund—to account for various special purpose funds which have been established on a self-supporting basis. Revenues are generated by taxes, licenses, fees and federal matching funds and grants. Expenditures of these funds can only be made in accordance with the restrictions imposed by the source of the revenues.

Proceeds of Bonds Fund—to account for the proceeds of general obligation and self-liquidating bonds.

Debt Service Fund—to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

PROPRIETARY FUNDS

Enterprise Funds—to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services on a continuing basis be financed or recovered primarily through user chargers.

Bureau of Alcoholic Beverages—The sale of alcoholic beverages is controlled through State operated stores and licensed agents. Net income from the Bureau is transferred to the General Fund.

NOTE 1—FINANCIAL STATEMENTS AND DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS—*Continued*

Department of Transportation Services—The Department of Transportation operates the Augusta State Airport and the ferry services along the mid-coastal region of the State.

Internal Service Funds—To account for centralized services provided to other funds. Revenues are derived from user agencies on a cost reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds—The Trust and Agency Funds are a grouping of various funds which are administered by the State as trustee or as an agent for the general public.

ACCOUNT GROUPS

General Long-Term Debt—To account for the liabilities which do not require an appropriation or expenditure during the current fiscal year.

General Fixed Assets—To provide a record of the cost of the land, buildings, improvements and capital equipment purchased by Governmental Funds, except for highways and bridges. The Enterprise and Internal Service funds maintain separate fixed asset records.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accounts of all Governmental Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and assets are recognized when measurable and available to finance operations during the year; expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods or services. Modification to the accrual basis of accounting include:

Self-assessed taxes, principally income and sales and use taxes, are recorded as revenues when reported to the state.

Interest on long term debt is recognized as an expenditure when it becomes due.

Obligations for employees' vested annual leave and sick leave are recorded as expenditures when paid.

The accounts of the Enterprise Funds and Internal Service Funds are maintained and reported on the accrual basis of accounting.

Equity in Treasurer's Cash Pool: The Treasurer's Cash Pool, comprised primarily of short-term certificates of deposit, repurchase agreements, U.S. Treasury Bills and U.S. Treasury Notes, are stated at cost which approximates market value.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*Continued*

Investments: Investments are stated at cost or fair market value at date of donation.

Deposits with United States Treasury: The federal government requires that unemployment tax receipts be deposited with the United States Treasury. Funds are drawn down as benefits are paid.

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or market.

Land, Buildings and Equipment: Land, buildings and equipment are recorded at cost. Depreciation of the buildings, improvements and equipment in the Enterprise and Internal Service funds is computed on the straight-line method in a manner intended to amortize the cost of the assets over their estimated useful lives.

Expenditures which materially increase values, change capacities or extend useful lives are capitalized. Repairs and maintenance are charged to operations as incurred.

Encumbrances: Contracts and purchase commitments are recorded as encumbrances when the contract or purchase order is executed. Upon receipt of goods or services, the encumbrance is liquidated and the expenditure and liability are recorded. Unliquidated encumbrances are reported in the encumbrances and appropriations.

Interfund Transactions: Various departments and funds charge fees on a user basis for such services as centralized computer services, accounting and auditing, purchasing, personnel and maintenance. These fees are recorded as revenue by the servicing department and as expenditures by the user department.

Lease Commitments: The State has lease commitments which extend forward a number of years. However, these leases are subject to continuing appropriations and may, therefore, be terminated without penalty if funds are not appropriated.

Grants: Certain federal grants, made on the basis of entitlement, are recorded upon receipt of funds. Other federal grants, made on a reimbursement basis, are recorded as receivables and revenues when the related expenditures are incurred.

NOTE 3—EQUITY IN TREASURER'S CASH POOL

The State pools all available cash for investment purposes. Each fund's equity share of the total pooled cash and investments is included on the accompanying balance sheets under the caption "Equity in Treasurer's Cash Pool". The State's temporary investments at June 30, 1988 include certificates of deposit.

NOTE 3—EQUITY IN TREASURER'S CASH POOL—*Continued*

U.S. Treasury Bills, U.S. Treasury Notes and repurchase agreements. Investments are carried at cost.

	Temporary Investments	Excess of Cash Over Investments	Total
Equity in Treasurer's Cash Pool	$539,493,803	$25,443,374	$564,937,177

NOTE 4—RECEIVABLES

Receivables at June 30, 1988 include the following: (in thousands of dollars)

	General	Highway	Other Special Revenue	Enterprise	Other Funds
Taxes:					
Individual income tax	$14,980	$ -	$ -	$ -	$ -
Corporate income tax	23	-	-	-	-
Sales and use tax	10,665	7,385	-	-	-
Inheritance tax	283	-	-	-	-
Cigarette tax	2,345	-	-	-	-
Railroad tax	2,292	-	-	-	-
Property tax	16,131	-	107	-	-
Spruce budworm tax	-	-	2	-	-
Other	148	-	18	-	-
	46,867	7,385	127	0	0
Accounts:					
Due from:					
Federal Government	-	-	8,210	-	-
Hospital Services					
Augusta Mental Health	3,033	-	-	-	-
Bangor Mental Health	421	-	-	-	-
Pineland Center	2,628	-	-	-	-
Other	1,127	181	2,987	4,112	7,727
	7,209	181	11,197	4,112	7,727
Less allowance for possible Losses	10,557	317	1,453	196	6,437
	$43,519	$ 7,249	$ 9,871	$ 3,916	$1,290

NOTE 5—LAND, BUILDINGS AND EQUIPMENT

Fixed assets in the Enterprise Funds and Internal Service Funds consist of the following:

	Enterprise Funds	Internal Service Funds
Land	$ 626,123	$ 243,227
Buildings and structural improvement	4,469,956	3,518,246
Equipment	9,257,944	47,416,165
	14,354,023	51,177,638
Less accumulated depreciation	4,495,433	33,527,178
	$ 9,858,590	$17,650,460

NOTE 6—BONDS PAYABLE

General obligation bonds and bond anticipation notes outstanding at June 30, 1988 are comprised of the following:

Source of Repayment:

BONDS	
General Fund	$201,160,000
Highway Fund	88,170,000
Self-liquidating debt of the University of Maine, Vocational Technical Institutes and Maine Veterans' Home	18,945,000
	$308,275,000

The annual requirements to amortize all bonds outstanding as of June 30, 1988 are as follows: (in thousands of dollars)

	Principal	Interest
	General Bonded Debt	General Bonded Debt
1989	$ 41,955	$ 20,306
1990	38,530	17,443
1991	35,260	14,844
1992-1996	131,100	44,235
1997-2001	47,975	13,012
2002-2006	13,365	1,413
2007	90	5
	$308,275	$111,258

NOTE 7—RECONCILIATION OF FUND EQUITY

The State records transactions on an appropriations basis and may not conform to the requirements of generally accepted accounting principles. At June 30, 1988, the material differences are as follows:

1. Recording of payrolls as paid rather than as the work is expended by the employees.

2. Recording certain Human Service claims and related Federal reimbursements as received rather than as incurred for services performed prior to June 30 with invoices not received until the next fiscal year.

3. Recording certain obligations as encumbrances and appropriation carried rather than as accounts payable.

The following is a summary of the effects of the above described transactions on fund equity in the General Fund, the Highway Fund and Other Special Revenue Funds at June 30, 1988. The impact on the remaining funds is considered immaterial and is not presented.

	General Fund	Highway Fund	Other Special Revenue Funds
Fund equity at June 30, 1988 per combined balance sheet	$295,498,579	$50,551,987	$91,169,083
Receivables:			
Income Tax		-	-
Federal Reimbursements	-	-	9,389,146
Adjustment to Transfers from Enterprise Funds	(364,849)	-	-
Accounts payable	(1,412,227)	(807,490)	(1,401,566)
Accrued payroll	(10,045,255)	(3,447,847)	(4,839,342)
Claims incurred but not reported	(8,732,062)	-	(9,389,146)
Fund equity at June 30, 1988, adjusted to conform with generally accepted accounting principles	$294,944,186	$46,296,650	$84,928,175

NOTE 8—PENSION PLANS

State employees, local teachers and employees of participating local governmental units are eligible to participate in the Maine State Retirement System, which provides for retirement and other benefits. Generally, retirement expense is comprised of the actuarially determined normal cost plus an amount accrued. The State's contribution to the System for State employees and teachers was $150.6 million in 1988.

At June 30, 1988, the unfunded accrued benefits for State employees and teachers were approximately $1.3 billion. The actuarially computed value of vested benefits is not available. The report of the consulting actuary for the system indicates the contributions of employees and the State, together with investment income, will provide for the cost of unfunded accrued benefits within 29.0 years.

NOTE 9—DEFERRED COMPENSATION

The State offers its employees a deferred compensation plan created in accordance with U.S. Internal Revenue Code Section 457. The plan, available to all state employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, death or an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are solely the property and rights of the State subject only to the claims of the State's general creditors.

Participants' rights created under the plan are equivalent to those of general creditors of the State and only in an amount equal to the fair market value of the deferred account maintained with respect to each participant.

In the past, the plan assets have been used for no purpose other than to pay benefits. In addition, the State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 10—CONTINGENCIES

The State is contingently liable for debt guaranteed by the Finance Authority of Maine. The total debt upon which the State is contingently liable at June 30, 1988, aggregates $56,678,000.

NOTE 11—LITIGATION

The State, its officers and employees are defendants in various significant lawsuits. Legal counsel for the State as well as its various authorities and agencies have reviewed the status of pending litigation and are unable to determine the amount of the probable loss to the State in these matters. Accordingly, no provision has been made in the accompanying financial statements for losses which may arise from the settlement of adjudication of the aforementioned matters, either individually or in the aggregate.

FINANCIAL SECTION II

BUDGETARY

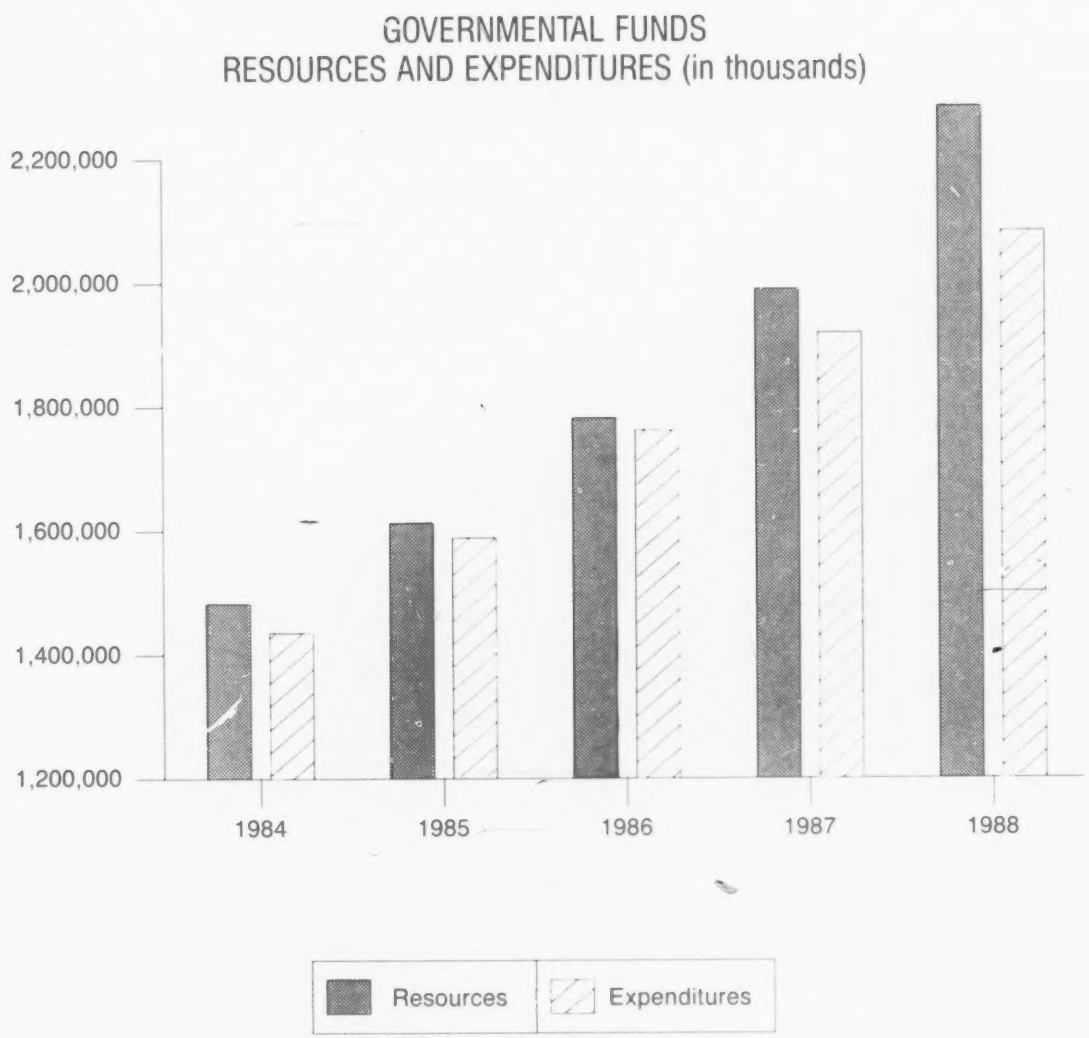


EXHIBIT I

GOVERNMENTAL FUNDS

Combined Balance Sheets
June 30, 1988

	Governmental		
	General Fund	Highway Fund	Other Special Revenue
ASSETS			
Equity in Treasurer's Cash Pool	$267,112,724	$29,606,512	$76,354,010
Cash - Other	133,032	37,275	21,775
Investments	-	-	-
Deposits with U.S. Treasury	-	-	-
Federal Grants Receivable	-	-	10,017,180
Accounts and Notes Receivable, Net of Allowances for Possible Losses	43,519,101	7,249,432	9,871,011
Due from Other Funds	570,534	401,511	4,470,024
Annuities			
Inventories	-	-	-
Working Capital Advances to Other Funds	4,386,000	13,182,115	-
Advance from Highway Garage	127,089	-	-
Prepaid Expenses and Other Assets	3,839,940	1,053,294	1,080,374
Land, Buildings and Equipment	-	-	-
Amount Available in Debt Service Funds			
Amount to be Provided for Retirement of General Long Term Debt	-	-	-
TOTAL ASSETS	$319,688,420	$51,530,138	$101,814,375
LIABILITIES AND EQUITY			
Liabilities:			
Accounts Payable	$ 12,197,379	$ 394,704	$ 5,328,743
Due to Other Funds	8,296,990	990,753	918,091
Other Liabilities	3,695,472	43,172	4,198,458
Bonds Payable	-	-	-
Working Capital Advances Payable	-	-	200,000
Total Liabilities	24,189,840	1,428,629	10,645,292
Equity:			
Investments in General Fixed Assets	-	-	-
Reserved for Encumbrances	14,334,258	3,626,308	22,471,628
Designated for Subsequent Years Expend.	43,567,040	7,081,504	68,697,455
Designated for Working Capital Advances	4,386,000	13,182,114	-
Designated for Other Purposes	66,664,039	637,335	-
Reserve Annuities			
Rainy Day Fund	25,000,000	-	-
Contributed Capital	-	-	-
Retained Earnings	-	-	-
Unappropriated Surplus	141,547,241	25,574,248	-
Total Equity	295,498,577	50,101,510	91,169,083)
TOTAL LIABILITIES AND EQUITY	$319,688,420	$51,530,139	$101,814,375

Funds		Other Funds			Account Groups	
Proceeds of Bonds	**Debt Service**	**Enterprise Funds**	**Internal Service Funds**	**Trust and Agency**	**General Long Term Debt**	**General Fixed Assets**
$ 82,779,189	$ 3,949,500	$ 11,674,540	$ 9,663,703	$ 81,830,482	$ -	$ -
-	926,716	1,027,296	4,700	73,847,155	-	-
-	-			1,258,006,307	-	-
-	-	-	-	153,287,878	-	-
-	-	-	-	-	-	-
-	-	3,917,601	90,764	1,203,446	-	-
-	-	2,961	5,314,341	-	-	-
		1,618,971				
-	-	7,512,505	5,752,810	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
152	-	33,775	75,356	884,480	-	-
-	-	9,858,589	17,650,460	-	-	299,039,837
					4,551,046	
-	308,275,000	-	-	-	303,723,954	-
$ 82,779,341	$ 313,151,216	$ 35,646,241	$ 38,552,133	$1,569,059,748	$ 308,275,000	$299,039,837
$ 27,820,468	$ -	$ 7,538,750	$ 2,395,438	$ 9,253,838	$ -	$ -
152	-	214,989	324,402	13,994	-	-
-	586,716	1,212,071	4,219,859	42,927,948	-	-
-	308,615,000	-	-	-	308,275,000	-
-	-	-	13,383,114	-	-	-
27,820,620	309,201,716	8,965,810	20,322,813	52,195,780	308,275,000	0
-	-	-	-	-	-	299,039,837
16,965,179		-		-	-	-
37,993,542	3,949,500					
-	-	3,985,000	573,952	-	-	-
-	-	-	-	1,516,863,968	-	-
		1,618,971				
-	-	-	-	-	-	-
-	-	36,408,642	4,912,035	-	-	-
-	-	(15,332,182)	12,743,333	-	-	-
-	-	-	-	-	-	-
54,958,721	3,949,500	26,680,431	18,229,320	1,516,863,968	0	299,039,837
$ 82,779,341	$ 313,151,216	$ 35,646,241	$ 38,552,133	$1,569,059,748	$ 308,275,000	$299,039,837

EXHIBIT II

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF RESOURCES, EXPENDITURES AND CHANGES IN FUND EQUITY FOR THE YEAR ENDED JUNE 30, 1988

	Total (Memorandum Only)
REVENUES	
Taxes	
Unorganized Territories Tax	$ 13,409,839
Spruce Budworm Tax	9,927
Inheritance and Estate Tax	11,912,752
Individual Income Tax	509,105,808
Corporate Income Tax	84,544,766
Sales and Use Tax	491,935,557
Gasoline, Use Fuel and Motor Carrier Tax	100,112,908
Vehicle Registration and Drivers Licenses	57,832,104
Cigarette Tax	41,690,781
Public Utilities Tax	50,059,535
Insurance Tax	36,226,490
Hunting, Fishing and Related Licenses	10,642,971
Commission on Pari-Mutuels	1,967,922
Other Taxes	27,881,721
Total Taxes	1,437,333,081
Income from Investments	21,090,669
From Federal Government	563,083,209
From Cities Towns and Counties	4,197,178
Service Charge for Current Services	48,124,443
Transferred from Bureau of Alcoholic Beverages	33,778,889
Transferred from Lottery Commission	27,266,281
Other Revenues	70,655,584
	768,196,253
OTHER FINANCIAL RESOURCES	
Proceeds of General Obligation Bonds	37,770,000
Other	29,403,518
Total Revenues and Resources	2,272,702,853
EXPENDITURES	
General Government	244,586,252
Economic Development	58,592,547
Education and Culture	707,126,964
Human Services	741,235,764
Manpower	35,556,332
Natural Resources	61,413,888
Public Protection	44,706,011
Transportation	217,675,142
Other	-
Total Expenditures	2,110,892,900
Excess Resources Over (Under) Expenditures	161,809,953
FUND EQUITY JULY 1, 1987	333,867,441
FUND EQUITY JUNE 30, 1988	$ 495,677,392

General Fund	Highway Fund	Other Special Revenue	Proceeds of Bonds	Debt Service
$ 5,820,484	$ -	$ 7,589,355	$ -	$ -
-	-	9,927	-	-
11,912,752	-	-	-	-
482,869,679	-	26,236,129	-	-
80,800,947	-	3,743,819	-	-
464,147,726	-	27,787,831	-	-
272,084	98,470,480	1,370,344	-	-
-	57,832,104	-	-	-
41,690,781	-	-	-	-
45,531,780	-	4,527,755	-	-
31,371,723	-	4,854,767	-	-
-	-	10,642,971	-	-
775,622	-	1,192,300	-	-
14,294,793	967,963	12,618,946	-	-
1,179,488,371	157,270,567	100,574,144	0	0
12,921,258	1,228,418	2,818,039	92,710	4,030,244
337,477	-	562,745,732	-	-
791,102	3,258	3,402,818	-	-
16,250,206	8,208,145	21,581,537	-	2,084,555
28,250,003	-	5,528,885	-	-
27,266,282	-	-	-	-
26,398,153	873,473	43,383,958	-	-
112,214,481	10,313,294	639,460,969	92,710	6,114,799
-	-	-	37,770,000	-
35,867,650	4,931,744	(8,407,126)	112,796	(3,101,546)
1,327,570,502	172,515,605	731,627,987	37,975,506	3,013,253
127,106,343	12,928,408	99,188,953	3,267,353	2,095,195
20,839,845	90,917	37,661,785	-	-
633,188,684	-	68,154,109	5,784,172	-
349,328,750	-	387,716,937	4,190,076	-
3,686,278	-	31,370,054	-	-
19,479,671	-	30,262,743	11,671,474	-
14,581,962	16,212,776	13,911,273	-	-
4,218,589	138,519,767	73,683,842	1,252,944	-
-	-	-	-	-
1,172,430,122	167,751,868	742,449,696	26,166,019	2,095,195
155,140,380	4,763,737	(10,821,709)	11,809,487	918,058
140,358,198	45,337,773	101,990,792	43,149,234	3,031,442
$ 295,498,578	$ 50,101,510	$ 91,169,083	$54,958,721	$ 3,949,500

EXHIBIT III

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF RESOURCES, EXPENDITURES AND OTHER RESOURCES
ACTUAL AND BUDGET
GENERAL, HIGHWAY AND OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1988

	GENERAL FUND	
	Actual	**Budget**
REVENUES		
Taxes	$1,179,488,371	$1,083,087,189
Fines, Forfeits and Penalties	18,352,122	15,424,706
Income from Investments	12,921,258	10,703,525
Intergovernmental Revenue	1,128,579	1,279,163
Revenue from Private Sources	828,289	839,163
Service Charges for Current Services	16,250,205	20,555,410
Transferred from Alcoholic Beverage and Lottery Commissions	55,516,285	54,323,450
Other Revenues	7,217,742	7,737,901
Total Revenues	1,291,702,852	1,193,950,507
Other Financial Resources (Uses)	35,867,650	-
TOTAL REVENUES AND RESOURCES	1,327,570,502	1,193,950,507
EXPENDITURES		
General Government	127,106,343	138,551,225
Economic Development	20,839,845	23,716,598
Education and Culture	633,188,684	639,964,512
Human Services	349,328,750	365,107,021
Manpower	3,686,278	3,770,369
Natural Resources	19,479,671	21,817,431
Public Protection	14,581,962	16,796,033
Transportation	4,218,589	17,642,869
TOTAL EXPENDITURES	1,172,430,122	1,227,366,058
Excess Resources Over (Under) Expenditures	155,140,380	(33,415,551)
FUND EQUITY JULY 1, 1987	140,358,199	106,197,000
FUND EQUITY JUNE 30, 1988	$ 295,498,579	$ 72,781,449

HIGHWAY FUND		OTHER SPECIAL REVENUE FUNDS	
Actual	**Budget**	**Actual**	**Budget**
$157,270,567	$148,382,286	$100,574,144	$ 104,954,101
739,960	1,497,356	1,779,343	1,750,703
1,228,418	1,400,000	2,818,039	771,060
3,258	63,500	566,148,550	654,403,161
-	-	28,290,831	29,507,843
8,208,145	7,480,998	21,581,537	32,812,023
-	-	5,528,885	5,300,000
133,513	89,800	13,313,784	10,476,312
167,583,860	158,913,940	740,035,113	839,975,203
5,382,222	29,500,000	(8,407,126)	-
172,966,082	188,413,940	731,627,987	839,975,203
12,928,408	14,087,140	99,188,953	118,100,315
90,917	-	37,661,785	63,172,735
-	-	68,154,109	88,973,620
-	-	387,716,937	428,680,380
-	-	31,870,054	48,196,607
-	-	30,262,743	45,808,994
16,212,776	17,502,824	13,911,273	17,202,828
138,519,767	157,369,182	73,683,842	89,314,682
167,751,868	188,959,146	742,449,696	899,450,161
5,214,214	(545,206)	(10,821,709)	(59,474,958)
45,337,773	19,136,941	101,990,792	(49,635,511)
$ 50,551,987	$ 18,591,735	$ 91,169,083	$(109,110,469)

EXHIBIT IV

GOVERNMENTAL FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Appropriations Legislature	Appropriations Governor
GENERAL GOVERNMENT			
Attorney General Department	$ 388,974	$ 5,580,730	$ -
Audit Department	53,580	1,312,786	-
Executive Department	32,486,218	56,042,718	91,250
Finance Department	6,040,773	2,099,407	-
Administration Department	7,891,871	20,568,191	-
Accident Sickness Health Insurance	212,568	-	-
Compensation and Benefit Plans	6,208,644	3,680,204	-
Judicial Department	186,904	24,251,299	-
Legislative Department	297,598	12,676,778	-
Secretary of State Department	676,024	14,217,580	-
Treasurer of State	3,028,437	40,392,927	-
Personnel Department	4,040	1,682,368	-
Other	122,423	1,686,770	-
	57,598,054	184,191,758	91,250
ECONOMIC DEVELOPMENT			
Agriculture Food and Rural Resources Dept.	3,382,840	5,581,043	65,000
Business Regulation Department	4,538,313	568,742	-
Marine Resources Department	1,377,158	5,790,429	-
Independent Agencies	3,203,997	3,644,180	-
Other	854,692	1,117,980	-
	13,357,000	16,702,374	65,000
EDUCATION AND CULTURE			
Education and Cultural Services Department			
Administration	707,233	3,395,366	-
General Purpose Aid	3,908,704	345,193,793	-
Local School Nutrition Program	5,675	-	-
Vocational Education	3,959,192	19,663,434	-
Teachers Retirement	-	87,617,257	-
Children-Low Income and Exceptional	364,533	67,852	-
Independent Agencies			
Maine Maritime Academy	-	4,591,224	-
University of Maine	2,400,000	113,254,616	-
Other Programs	15,978,931	62,199,975	-
	27,324,268	635,983,517	0

Dedicated Revenue	Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988 Lapsed	Carried
$ 577,154	$ 413,348	$ 6,960,206	$ 6,500,312	$ 143,242	$ 316,652
389,842	-	1,756,208	1,619,755	113,320	23,133
13,441,996	(32,047,925)	70,014,257	43,635,476	8,330,998	18,047,783
8,140,543	9,906,189	26,186,912	21,141,118	52,276	4,993,518
580,458	(3,082,976)	25,957,544	15,802,855	115,179	10,039,510
569,810	-	782,378	245,964	-	536,414
-	(4,212,538)	5,676,310	-	-	5,676,310
258,565	114,762	24,811,530	24,448,907	18,403	344,220
-	309,141	13,283,517	12,354,520	3,941	925,056
105,007	(54,839)	14,943,772	13,664,104	73,684	1,205,984
63,281,032	-	106,702,396	101,671,746	220,946	4,809,704
-	107,361	1,793,769	1,740,113	14,673	38,983
96,393	-	1,905,586	1,761,382	12,159	132,045
87,440,800	(28,547,477)	300,774,385	244,586,252	9,098,821	47,089,312
9,119,319	87,266	18,235,468	14,514,672	81,974	3,638,822
6,334,658	51,853	11,493,566	5,830,560	31,603	5,631,403
1,053,182	226,380	8,447,149	6,774,366	89,304	1,583,479
12,754,315	5,079,695	24,682,187	17,878,975	540,224	6,262,988
677,359	26,357,088	29,007,119	13,593,974	9,157,943	6,255,202
29,938,833	31,802,282	91,865,489	58,592,547	9,901,048	23,371,894
266,509	166,091	4,535,199	3,694,294	85,054	755,851
-	(1,983,429)	347,119,068	345,722,428	-	1,396,640
12,552,796	(7,742)	12,550,729	12,319,730	-	230,999
12,187,292	649,262	36,459,180	32,529,217	394	3,929,569
-	-	87,617,257	87,617,257	-	-
28,673,234	(484,624)	28,620,995	28,109,908	2,696	508,391
-	175,670	4,766,894	4,766,894	-	-
-	5,300,000	120,954,616	115,343,452	-	5,611,164
9,908,713	9,233,560	97,321,179	77,023,786	580,315	19,717,078
63,588,544	13,048,788	739,945,117	707,126,966	668,459	32,149,692

EXHIBIT IV

GOVERNMENTAL FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Appropriations Legislature	Appropriations Governor
HUMAN SERVICES			
Human Services Department			
Administration	$ 329,682	$ 29,819,817	$ -
Bureau of Health	1,185,514	6,097,319	-
Bureau of Social Welfare	665,414	4,231,684	-
Child Welfare Services	10,109	5,857,726	-
Bureau of Rehabilitation	1,574,679	8,098,833	-
Bureau of Maine's Elderly	580,618	3,825,173	-
Other	12,433,228	172,086,809	-
Mental Health and Mental Retardation Department			
Department Operations	165,674	2,647,346	-
Augusta Mental Health Inst.	490,299	17,875,208	-
Bangor Mental Health Inst.	192,404	16,051,457	-
Pineland Center	204,031	18,899,364	-
Other Programs	2,522,478	38,912,637	-
Corrections Department			
Administration	100,482	1,401,227	-
Community Correctional Services	321,252	2,338,179	-
Correctional Improvement Fund	7,331	2,330,857	-
Maine Youth Center - South Portland	131,615	7,591,203	-
Maine Correctional Center	186,124	8,026,147	-
Downeast Correctional Facility	14,229	1,906,240	-
State Prison	3,683,465	12,549,993	-
Independent Agencies			
Other	1,381,630	9,881,975	-
	26,180,258	370,429,194	0
MANPOWER			
Labor Department			
Bureau of Labor	1,329,454	1,661,061	-
Employment Security Commission	270,282	-	-
Other	523,214	1,862,759	15,000
	2,122,950	3,523,820	15,000
NATURAL RESOURCES			
Conservation Department			
Administration	118,984	706,685	-
Bureau of Forestry	1,159,795	7,622,764	-
Bureau of Geology	257,258	1,151,772	-
Bureau of Parks and Recreation	1,839,086	3,786,725	-
Other	4,144,301	1,217,809	-
Environmental Protection Department	17,751,781	4,963,652	8,000
Inland Fisheries and Wildlife Department	5,816,326	376,757	-
Independent Agencies	95,177	180,971	-
	31,182,708	20,007,135	8,000

Dedicated Revenue	Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988 Lapsed	Carried
$ 97,870	$ 10,854,327	$ 41,101,696	$ 40,094,605	$ 321,305	$ 685,786
12,399,383	25,826	19,708,042	18,447,454	96,509	1,164,079
15,466,850	(7,410,335)	12,953,613	12,252,180	62,484	638,949
1,435,220	149,165	7,452,220	7,393,558	-	58,662
13,064,504	2,706,221	25,444,237	24,317,736	145,767	980,734
4,895,435	354,664	9,655,890	9,055,901	36,606	563,383
307,583,421	(3,287,877)	488,815,581	476,945,406	689,527	11,180,648
-	(4,825)	2,808,195	2,761,810	2,947	43,438
462,141	2,237,874	21,065,522	19,998,273	3,807	1,063,442
198,270	934,505	17,376,636	16,911,340	2,840	462,456
130,295	1,105,353	20,339,043	19,962,723	4,111	372,209
1,475,236	1,508,160	44,418,511	41,742,216	93,455	2,582,840
248,115	(78,552)	1,671,272	1,388,366	93,708	189,198
43,600	-	2,703,031	2,040,199	60,402	602,430
-	(25,000)	2,313,188	1,534,493	468,918	309,777
-	244,594	7,967,412	7,855,101	69	112,242
59,298	419,892	8,691,461	8,328,166	2,851	360,444
-	117,669	2,038,138	2,018,882	5,994	13,262
15,711	9,538,751	25,787,920	16,779,589	38,496	8,969,835
1,434,974	1,634,000	14,332,579	11,407,765	101,868	2,822,946
359,010,323	21,024,412	776,644,187	741,235,763	2,231,664	33,176,760
1,364,429	49,777	4,404,721	2,401,267	30,257	1,973,197
17,565,212	42,490	17,877,984	16,919,137	-	958,847
14,873,739	(315,282)	16,959,430	16,235,927	13,493	710,010
33,803,380	(223,015)	39,242,135	35,556,331	43,750	3,642,054
35,306	138,912	999,887	831,760	14,826	153,301
551,072	91,314	9,424,945	8,296,495	4,039	1,124,411
113,789	62,380	1,585,199	1,013,816	13,200	558,183
296,218	407,786	6,329,815	4,203,295	7,909	2,118,611
3,682,053	(117,087)	8,927,076	5,640,772	76,229	3,210,075
9,205,771	11,108,179	43,037,383	22,397,821	172,805	20,466,757
15,295,439	3,000,283	24,488,805	17,534,609	61,013	6,893,183
1,252,511	240,418	1,769,077	1,495,320	-	273,757
30,432,159	14,932,185	96,562,187	61,413,888	350,021	34,798,278

EXHIBIT IV

GOVERNMENTAL FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF / MOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Appropriations Legislature	Appropriations Governor
PUBLIC PROTECTION			
Military, Civil Emergency Preparedness And Veterans Services	$ 3,895,044	$ 4,662,617	$ -
Public Safety Department	2,343,413	26,528,733	-
	6,238,457	31,191,350	0
TRANSPORTATION			
Transportation Department			
Administration	3,870,576	8,199,398	-
Construction of Highways	15,841,842	32,463,523	-
Maintenance of Highways	5,711,529	71,620,917	-
Bureau of Transportation Services	12,524,784	7,961,214	-
Debt Service	-	16,445,800	-
Other	2,168,720	13,224,000	-
	40,117,451	149,914,852	0
	$ 204,121,146	$1,411,944,000	$ 179,250

DETAIL OF FUNDS

General Fund	$ 37,194,123	$1,182,969,563	$ 179,250
Highway Fund	24,236,085	159,158,694	-
Other Special Revenue Funds	96,397,466	69,815,743	-
Proceeds of Bonds	43,262,030	-	-
*Debt Service Fund	3,031,442	-	-
	$ 204,121,146	$1,411,944,000	$ 179,250

*The Debt Service Fund is net of General and Highway Funds transfers and expenditures.

Dedicated Revenue	Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988 Lapsed	Carried
$ 7,974,257	$ 739,008	$ 17,270,926	$ 15,378,689	$ 158,714	$ 1,733,523
4,285,112	1,315,398	34,472,656	29,327,322	1,850,050	3,295,284
12,259,369	2,054,406	51,743,582	44,706,011	2,008,764	5,028,807
1,275,934	(349,539)	12,996,369	9,084,774	135,817	3,775,778
64,871,915	9,500,000	122,677,280	113,511,222	-	9,166,058
-	-	77,332,446	67,342,378	-	9,990,068
3,810,736	546	24,297,280	8,753,214	157,080	15,386,986
-	-	16,445,800	16,445,800	-	-
1,948,316	(803)	17,340,233	2,537,754	191,751	14,610,728
71,906,901	9,150,204	271,089,408	217,675,142	484,648	52,929,618
$ 688,380,309	$ 63,241,785	$2,367,866,490	$2,110,892,900	$ 24,787,175	$ 232,186,415
$ -	$ 14,846,494	$1,235,189,430	$1,172,430,122	$ 4,858,010	$ 57,901,298
-	9,467,901	192,862,680	167,751,868	903,000	24,207,812
682,774,346	3,657,390	852,644,945	742,449,696	19,026,165	91,169,084
92,710	37,770,000	81,124,740	26,166,019	-	54,958,721
5,513,253	(2,500,000)	6,044,695	2,095,195	-	3,949,500
$ 688,380,309	$ 63,241,785	$2,367,866,490	$2,110,892,900	$ 24,787,175	$ 232,186,415

EXHIBIT V

GOVERNMENTAL FUNDS

Combined Statement of Expenditures by Character and Object
For the Years Ended June 30, 1988 and 1987

	1988	1987
PERSONAL SERVICES		
Salaries and Wages	$ 304,290,878	$ 287,062,087
Retirement Costs	60,395,184	53,357,003
Health Insurance and Other Fringe Benefits	21,486,922	18,119,776
Unemployment Reimbursements	559,136	639,871
	386,732,120	359,178,738
CONTRACTUAL SERVICES		
Professional Fees and Special Services	48,026,918	44,208,911
Traveling Expenses	11,093,459	10,268,540
Operating State-Owned Vehicles	3,749,154	3,703,076
Utility Services	13,988,300	13,149,779
Rents	27,868,129	27,940,185
Repairs and Insurance	11,302,808	10,355,778
General Operating Expenses	26,899,327	21,907,518
	142,928,095	131,533,787
COMMODITIES		
Foods	3,455,257	3,271,292
Fuels	2,799,656	2,511,889
Highway Materials	10,927,595	11,742,245
Office and Other Supplies	12,507,868	12,975,221
	29,690,376	30,500,647
GRANTS, SUBSIDIES AND PENSIONS		
To Other Governmental Agencies	513,550,419	444,891,521
To Public and Private Organizations	298,797,766	272,458,790
To Individuals:		
Aid to Families with Dependent Children	97,928,331	97,663,164
Supplemental Social Security Income	12,830,734	12,814,411
Assistance and Medical Care	351,784,546	334,509,779
Unemployment, Pension and Compensation for Injuries	12,740,358	11,533,253
	1,287,632,154	1,173,870,917
CAPITAL OUTLAYS	101,924,762	93,264,315
DEBT SERVICE		
Principal	38,570,000	36,245,000
Interest	21,719,356	21,478,787
	60,289,356	57,723,787
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS		
Maine State Retirement System	88,869,935	68,962,412
Transfers to Other Funds	12,826,102	10,783,716
	101,696,037	79,746,128
Total Expenditures	$2,110,892,900	$1,925,818,320

EXHIBIT VI

ENTERPRISE AND INTERNAL SERVICE FUNDS

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 1988

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
REVENUES		
Sales	$157,708,046	$ -
Intergovernmental Billings	-	43,648,373
Gross Income	157,708,046	43,648,373
Cost of Goods Sold	95,799,053	19,976,519
Net Income	61,908,993	23,671,854
Fees and Licenses	14,392,754	-
	76,301,747	23,671,854
EXPENDITURES		
Personal Services	8,220,107	11,817,784
General Operating Expenses	8,654,352	8,535,757
Depreciation	573,875	5,274,332
	17,448,334	25,627,873
Net Operating Income	58,853,413	(1,956,019)
NON-OPERATING REVENUE (EXPENSES)		
Adjustment of Prior Year Transactions	-	862,073
Interest Income	537,101	-
Other Non-Operating Income	1,639,490	1,545,591
Interest Expense	-	(328,153)
	2,176,591	2,079,511
Net Income	61,030,004	123,492
RETAINED EARNINGS (DEFICIT) JULY 1, 1987	(15,317,016)	12,619,841
TRANSFERRED TO OTHER FUNDS	(61,045,170)	-
RETAINED EARNINGS (DEFICIT) JULY 1, 1988	$ (15,332,182)	$12,743,333

EXHIBIT VII

ENTERPRISE AND INTERNAL SERVICE FUNDS

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 1988

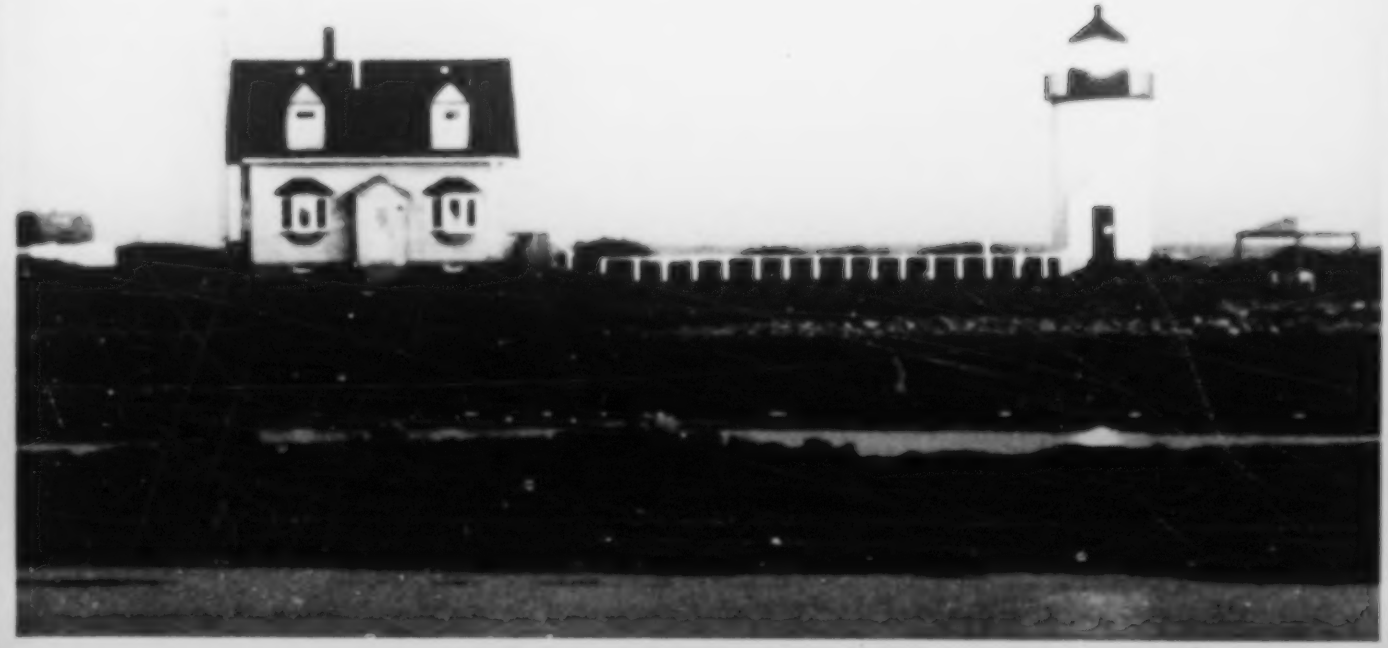
	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
SOURCE OF FUNDS		
Net Income	$ 61,030,004	$ 123,491
Add: Depreciation	573,875	5,274,332
Transfers from Other Funds		991
	61,603,879	5,398,815
Transferred from Governmental Funds	2,173,328	-
	63,777,207	5,398,815
APPLICATION OF FUNDS		
Purchase of Plant and Equipment	1,728,977	6,059,175
Transferred to Other Funds	61,052,245	-
	62,781,222	6,059,175
Increase (Decrease) in Working Capital	$ 995,985	$ (660,360)
ANALYSIS OF CHANGES IN WORKING CAPITAL		
Increase (Decrease) in Current Assets		
Cash	$ 1,100,212	$(1,589,043)
Accounts Receivable	1,325,530	1,485,334
Inventories	400,658	(490,231)
Other Assets	(156,155)	30,590
	2,670,245	(563,350)
Decrease (Increase) in Current Liabilities		
Accounts Payable	(1,414,948)	203,756
Other Current Liabilities	(259,312)	(300,766)
	(1,674,260)	(97,010)
Increase (Decrease) in Working Capital	$ 995,985	$ (660,360)

EXHIBIT VIII

TRUST FUNDS

COMBINED STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1988

	Expendable Trusts		
	Retirement System	Other	Non-Expendable Trusts
REVENUES AND OTHER ADDITIONS			
Contributions			
Individuals	$ 93,917,684	$ 91,286,102	$ -
Employee Contributions	157,073,486	1,684,838	-
University of Maine System and Maine Maritime Academy	-	124,804,265	-
Cities, Towns and Counties	28,450,173	130,813,802	-
Interest and Dividends	55,930,625	3,828,997	-
Gain (Loss) on Sales of Investments	21,654,785	924,217	276,796
Other Additions or Adjustments	(107,627)	7,944,451	28,301
Total Additions	356,919,126	361,286,672	305,097
EXPENDITURES AND OTHER DEDUCTIONS			
Benefit Payments	145,696,829	-	-
Refunds and Interest Allowed	46,858,374	-	-
Health and Group Life Insurance	3,262,837	6,964,017	-
Payroll Taxes and Deductions	-	117,932,441	-
Administrative Expenses	3,225,979	80,480	-
Refunds of Trust Deposits, Other Disbursements and Transfers	1,275,783	207,512,621	-
Total Deductions	200,319,802	332,489,559	0
Net Additions	156,599,324	28,797,113	305,097
FUND BALANCE JULY 1, 1987	1,136,693,976	185,182,124	9,286,333
FUND BALANCE JULY 1, 1988	$1,293,293,300	$213,979,237	$ 9,591,430

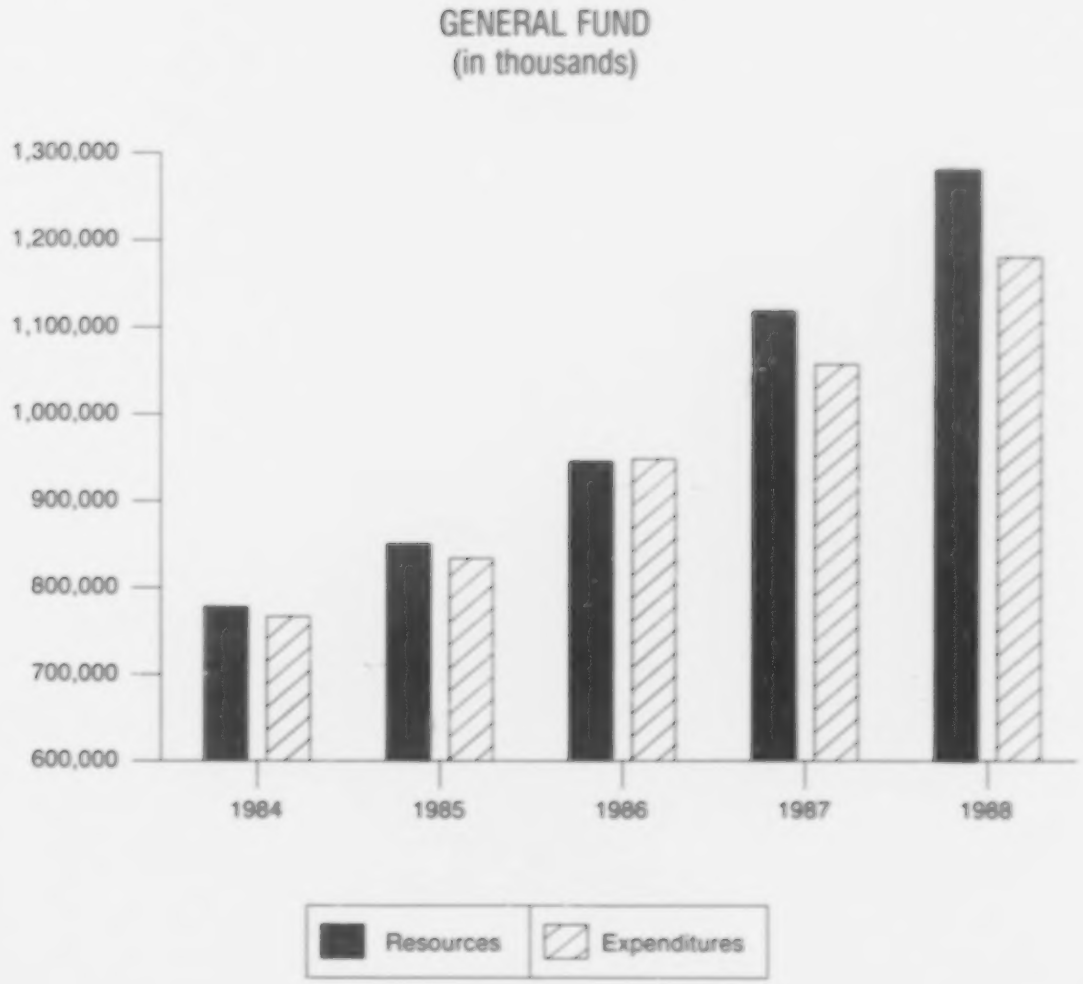


GENERAL FUND

The General Fund is the largest of the State's operating funds. Its purpose is to finance all State Government activities not specifically financed by dedicated revenue.

The General Fund unappropriated fund balance was $134.5 million at June 30, 1988 as compared to $60.2 million at June 30, 1987.

Revenues increased from $1,117 million in 1987 to $1,291 million in 1988 while the expenditures increased from $1,045 million to $1,172 million.



Joseph Devenney

EXHIBIT A-1

GENERAL FUND

COMPARATIVE BALANCE SHEET

	June 30, 1988	June 30, 1987
ASSETS		
Equity in Treasurer's Cash Pool	$267,112,724	$138,784,911
Cash - Other	133,032	112,130
Accounts Receivable		
Tax Accounts	46,867,103	21,064,469
Other	7,209,497	4,988,514
	54,076,600	26,052,983
Less Allowance for Possible Losses	10,557,499	11,717,426
Net Accounts Receivable	43,519,101	14,335,557
Due from Other Funds	570,534	332,715
Working Capital Advances to Other Funds	4,386,000	4,361,000
Advance from Highway Garage	127,089	190,634
Other Assets	3,839,940	2,746,298
	$319,688,420	$160,863,245
LIABILITIES AND EQUITY		
Liabilities		
Accounts Payable	$ 12,197,379	$ 7,788,086
Due to Other Funds	8,296,990	7,701,332
Other Liabilities	3,695,471	5,015,629
	24,189,840	20,505,047
Equity		
Appropriated:		
Encumbrances	14,334,258	10,269,637
Authorized Expenditures	43,567,040	25,694,776
State Contingent Account	1,350,000	600,000
Operating Capital	15,000,000	14,000,000
Tax Adjustment Reserve Fund	48,269,039	73,000
Loan Insurance	2,000,000	-
Rainy Day Fund	25,000,000	25,000,000
Working Capital Advances	4,386,000	4,361,000
Advance to Other Funds	45,000	146,000
	153,951,337	80,144,413
Unappropriated Equity	141,547,242	60,213,785
	295,498,579	140,358,198
	$319,688,420	$160,863,245

EXHIBIT A-2

GENERAL FUND

ANALYSIS OF CHANGES IN FUND BALANCE

	Years Ended June 30,	
	1988	**1987**
Balance at Beginning of Year	$ 60,213,785	$ 9,689,951
Adjustment of Prior Year Transactions	912,823	540,391
	61,126,608	10,230,342
Additions:		
Revenues	1,291,702,852	1,117,804,255
Interest Earned for Rainy Day Fund	3,182,369	430,839
Appropriation of Balances Carried Forward Beginning of Year (Adjusted)	37,194,123	28,945,299
Repayment of Appropriated Receivables, Advances, Etc.	10,000	-
Decrease in Guarantee Reserve Fund	-	300,000
Decrease in Contingent Account Balance	-	75,000
Transfers from Other Funds (net)	2,500,000	2,410,420
Total Additions	1,334,589,344	1,149,965,814
Deductions:		
Expenditures	1,172,430,122	1,045,190,655
Appropriation Balances Carried Forward at End of Year	57,901,298	35,964,413
Increase in Reserve for Working Capital	1,000,000	1,000,000
Increase in Rainy Day Fund	-	15,030,839
Working Capital Advance	-	-
Increase in Contingent Account	750,000	
Increase in Tax Adjustment Fund	16,462,000	
Increase in Loan Insurance Reserve	2,000,000	
Transfers to Other Funds (net)	3,625,291	2,796,463
Total Deductions	1,254,168,711	1,099,982,370
Balance at End of Year	$ 141,547,241	$ 60,213,785

EXHIBIT A-3

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES

	Year Ended June 30, 1988	Year Ended June 30, 1987	1988 Budget
TAXES			
Property Taxes			
Unorganized Territories Tax	$ 5,820,484	$ 4,930,713	$ 5,205,486
Other Property Taxes	10,057,336	9,880,073	9,341,200
Inheritance and Estate Tax	11,912,752	20,877,811	10,500,000
Sales and Use Tax	464,147,726	413,631,635	459,587,516
Cigarette Tax	41,690,781	40,325,475	39,826,000
Income Taxes			
Individual Income Tax	482,869,679	400,830,858	423,944,000
Corporate Income Tax	80,800,947	66,042,674	57,448,200
Taxes on Specific			
Businesses or Occupations:			
Corporations	957,023	950,145	1,078,700
Public Utilities	45,531,780	28,960,251	42,376,000
Insurance Tax	31,371,723	26,453,712	28,916,000
Commission on Pari-Mutuels	775,622	584,040	597,916
Other	3,280,434	3,561,403	3,986,171
Other Taxes	272,084	268,242	280,000
Total Taxes	1,179,488,371	1,017,297,033	1,083,087,189
FINES, FORFEITS AND PENALITES	18,352,122	15,583,145	15,424,706
INCOME FROM INVESTMENTS	12,921,258	7,415,270	10,703,525
INTERGOVERNMENTAL REVENUES:			
Federal Government	337,477	302,699	515,163
Cities, Towns and Counties	791,102	790,043	764,000
REVENUES FROM PRIVATE SOURCES	828,289	886,473	839,163
SERVICE CHARGES FOR CURRENT SERVICES	16,250,206	19,791,313	20,555,410
TRANSFERRED FROM THE BUREAU OF ALCOHOLIC BEVERAGES	28,250,003	30,054,237	30,073,450
TRANSFERRED FROM THE LOTTERY COMMISSION	27,266,282	18,205,948	24,250,000
CONTRIBUTIONS FROM OTHER FUNDS	6,701,280	7,163,362	7,507,451
MISCELLANEOUS	516,462	314,732	230,450
	$1,291,702,852	$1,117,804,255	$1,193,950,507

EXHIBIT A-4

GENERAL FUND

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Legislative	Contingent Account
GENERAL GOVERNMENT			
Attorney General Department	$ 30,590	$ 5,500,730	$ -
Audit Department	10,143	1,312,786	-
Executive Department			
Governor's Office	90,407	1,675,673	91,250
Blaine House	162	185,770	-
State Development Office	185,403	4,970,720	-
State Planning Office	101,835	1,499,312	-
Energy Resources	16,671	614,820	-
Community Services	510,388	3,649,388	-
Other	-	-	-
Finance Department			
Commissioner's Office	-	145,906	-
Administrative Services	-	414,058	-
Bureau of Accounts and Control	18,902	2,303,157	-
Bureau of Budget	-	504,514	-
Bureau of Taxation	275,313	14,469,482	-
Compensation and Benefit Plans	6,208,644	3,680,204	-
Other	3,600	(15,737,710)	
Administration Department			
Commissioner's Office	-	93,155	-
Administrative Services	-	383,900	-
Bureau of Public Improvements	5,049,020	17,479,543	-
Bureau of Purchases	-	528,688	-
Risk Management	-	236,788	-
Other	-	1,253,708	-
Judicial Department			
Supreme, Superior and District Courts	94,360	24,190,261	-
Legislative Department			
Legislature	42,264	12,263,602	-
Other	232,020	413,176	-
Secretary of State Department			
Secretary of State	10,004	1,164,712	-
State Archives	3,429	539,129	-
Treasurer of State			
Department Operations	-	854,612	-
Debt Service	-	39,538,315	-
Independent Agencies			
Maine Indian Tribal Commission	-	15,000	-
Human Resource Department	4,040	1,682,368	-
Other	-	1,335,506	-
	12,887,196	127,161,273	91,250

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ 67,297	$ 5,598,617	$ 5,495,071	$ 51,934	$ 28,580	$ 23,031
-	1,322,929	1,209,608	113,321	-	-
-	1,857,330	1,659,010	160,750	32,571	5,000
13,210	199,142	196,109	2,440	593	-
(4,462,670)	693,453	691,683	1,771	-	-
(577,528)	1,023,619	941,414	59,653	22,554	-
(12,000)	619,491	543,168	71,163	5,160	-
3,150	4,162,926	3,668,528	126,135	241,965	252,433
-	-	-	30,000		-
(1,850)	144,056	138,124	5,932	-	-
26,432	440,490	436,846	2,683	961	-
91,566	2,413,625	1,890,371	15,734	507,520	-
-	504,514	483,674	20,525	315	-
(103,603)	14,641,192	14,600,140	7,402	33,649	-
(4,212,538)	5,676,310	-	-	-	5,676,310
15,897,920	163,810	7,675	-	-	-
4,080	97,235	96,552	683	-	-
23,000	406,900	404,071	1,496	1,333	-
(5,667,719)	16,860,844	8,929,037	17,530	2,901,400	5,012,877
(7,531)	521,157	515,875	5,282	-	-
-	236,788	226,612	10,176	-	-
(25,557)	1,228,151	1,131,381	67,412	29,357	-
28,762	24,313,383	24,130,992	17,365	165,026	-
299,123	12,604,989	11,968,787	-	29,142	607,060
10,018	655,214	384,602	3,941	15,000	251,670
-	1,174,716	1,092,392	71,365	10,960	-
5,159	547,717	532,590	8	15,119	-
-	854,612	713,460	122,743	18,409	-
2,500,000	42,038,315	41,940,112	98,203	-	-
-	15,000	8,791	6,209	-	-
107,361	1,793,769	1,740,112	14,673	38,984	-
-	1,335,506	1,329,556	5,950	-	-
4,006,082	144,145,801	127,106,343	1,082,479	4,128,598	11,828,381

EXHIBIT A-4

GENERAL FUND

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Legislative	Contingent Account
ECONOMIC DEVELOPMENT			
Agriculture Department	$ 165,304	$ 5,581,043	$ 65,000
Business Regulation Department	1,335	568,742	-
Marine Resources Department	188,569	5,790,429	-
Independent Agencies			
Workers Compensation Commission	400,329	3,589,180	-
Public Utilities Commission			
Administration - Community Development	(72)	55,000	
Other	900,000	992,655	-
	1,655,465	16,577,049	65,000
EDUCATION AND CULTURAL SERVICES			
Education and Cultural Services Department			
Administration	661,780	2,902,521	-
General Purpose Aid for Local Schools	3,908,704	345,193,793	-
Other Local School Progams	548,223	35,126,874	-
Schooling in Unorganized Territories	508,752	4,865,488	-
Vocational Education			
Administration	-	265,321	-
Me. Voc. Tech. Inst. Bd. of Trustees	-	19,398,113	-
Central Maine Voc. Tech. Institute	44,457	-	-
Eastern Maine Voc. Tech. Institute	15,793	-	-
Kennebec Valley Voc. Tech. Institute	63,379	-	-
Northern Maine Voc. Tech. Institute	42,695	-	-
Southern Maine Voc. Tech. Institute	74,245	-	-
Washington County Voc. Tech. Institute	154,746	-	-
Adult Education	-	3,231,327	-
Grant/Loan Scholarship	247,189	1,402,393	-
Teachers Retirement	-	87,617,257	-
Governor Baxter School for the Deaf	350,778	2,986,796	-
Other Education Programs	123,252	7,636,847	-
State Historian	980	500	-
Maine Historic Preservation Comm.	-	154,410	-
Arts and Humanities	6,667	498,851	-
State Library	206,331	2,970,728	-
Museum	64,057	1,299,194	-
Independent Agencies			
Maine Maritime Academy	-	4,591,224	-
University of Maine	-	113,254,616	-
Maine Historical Society	-	28,918	-
	7,022,029	633,425,171	0

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ 81,262	$ 5,892,609	$ 5,576,224	$ 81,974	$ 93,369	$ 141,043
9,463	579,540	545,890	31,603	2,047	-
44,258	6,023,256	5,699,572	89,304	200,380	33,999
-	3,989,509	3,406,937	314,678	16,285	251,609
-	-				
5,106,565	5,161,493	3,797,004	225,545	1,138,943	
-	1,892,655	1,814,218	78,437	-	-
5,241,548	23,539,062	20,839,845	821,541	1,451,024	426,651
97,684	3,661,985	2,989,847	8,848	663,290	-
(1,983,429)	347,119,068	345,722,428	-	-	1,396,640
(20,723)	35,654,374	35,564,297	68,149	5,238	16,690
2,563	5,376,803	5,172,028	-	92,497	112,278
5,456	270,777	270,383	394	-	-
(17,167,720)	2,230,393	2,230,393	-	-	-
2,800,965	2,845,422	2,662,332	15,572		167,518
2,685,777	2,701,570	2,600,198	150		101,222
1,715,825	1,779,204	1,660,828	2,853		115,523
3,478,467	3,521,162	3,331,175	4,747		185,241
5,149,134	5,223,379	5,090,019	68,678		64,682
2,021,782	2,176,528	1,923,160	133,010		120,358
(45,000)	3,186,327	3,079,614	46,714	59,999	-
-	1,649,582	1,474,531	-	-	175,051
-	87,617,257	87,617,257	-	-	-
195,756	3,533,330	2,885,551	151,944	7,824	488,010
(1,460,127)	6,299,972	6,027,378	124,928	83,569	64,097
-	1,480	494	-	-	986
202	154,612	149,795	4,817	-	-
15,902	521,420	515,064	2,422	3,934	-
3,016	3,180,075	2,857,448	74,704	231,249	16,675
12,504	1,375,755	1,314,035	20,455	36,310	4,955
175,670	4,766,894	4,766,894	-	-	-
-	113,254,616	113,254,616	-	-	-
-	28,918	28,918	-	-	-
(2,316,296)	638,130,904	633,188,683	503,375	1,408,920	3,029,926

EXHIBIT A-4

GENERAL FUND

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Legislative	Contingent Account
HUMAN SERVICES			
Human Services Department			
Administration	$ 50,898	$ 26,645,997	$ -
Bureau of Health	19,145	6,097,319	-
Medical Care Administration	110,771	4,423,588	-
Medical Care Payments	1,853,980	98,205,749	-
Bureau of Social Welfare	72,210	4,231,684	-
Aid to Families with Dependent Children	2,327,954	21,631,525	-
General Assistance	-	7,148,553	-
Supplemental Security Income	140,297	13,740,360	-
Bureau of Resource Development	6,851	2,176,156	-
Purchased Services	203,372	5,912,902	-
Child Welfare Services	5,804	5,857,726	-
Bureau of Rehabilitation	175,986	5,891,025	-
Bureau of Maine's Elderly	470,605	3,825,173	-
Other	476,498	5,979,525	-
Mental Health and Retardation Department			
Departmental Operations	165,674	2,647,346	-
Community Mental Health	108,243	9,405,902	-
Food	958	1,522,354	-
Fuel	-	619,886	-
Unemployment Compensation	-	66,379	-
Construction, Repairs and Improvements	1,754,473	-	-
Childrens Mental Health Services	306,080	5,516,368	-
Military and Naval Children's Home	5,396	461,500	-
Augusta Mental Health Inst.	222,898	17,875,208	-
Bangor Mental Health Inst.	110,329	16,051,457	-
Community Mental Retardation Service	150,629	15,438,746	-
Pineland Center	183,641	18,898,864	-
Aroostook Residential Center	7,292	655,149	-
Elizabeth Levinson Center	3,473	1,680,001	-
Corrections Department			
Community Correctional Services	318,245	2,338,179	-
Probation and Parole	29,870	5,062,198	-
Correction Improvement Program	7,331	2,330,857	-
Administration	63,069	1,321,227	-
Fuel	-	463,330	-
Unemployment Compensation	-	42,750	-
Construction, Repairs and Improvements	554,396	925,000	-
Maine Youth Center - South Portland	23,266	7,585,203	-
Charleston Correctional Center	11,704	2,093,943	-
Maine Correctional Center	145,274	8,026,147	-
Downeast Correctional Facility	13,980	1,906,240	-
State Prison	47,440	12,549,993	-
Independent Agencies	-	-	-
Human Rights Commission	458	324,723	-
Other	10,302	835,100	-
	10,158,791	348,411,332	0

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ 101,375	$ 26,798,270	$ 26,445,310	$ 312,957	$ 40,003	$ -
(564)	6,115,900	5,797,451	96,509	221,940	-
15,897	4,550,256	4,393,576	84,510	72,170	-
547	100,060,276	97,608,722	692	143,726	2,307,136
20,354	4,324,248	4,229,251	62,484	32,513	-
(183,480)	23,775,999	22,630,887	-	-	1,145,112
(400,000)	6,748,553	6,530,477	19,523	-	198,553
-	13,880,657	12,830,734	-	-	1,049,923
26,349	2,209,356	2,202,053	6,231	1,072	-
338,000	6,454,274	6,032,274	84,078	337,801	122
210,000	6,073,530	6,015,512	-	-	58,018
6,591	6,073,602	5,725,296	49,914	278,271	20,121
-	4,295,778	3,712,800	36,606	546,372	-
-	6,456,023	5,430,018	103,308	922,698	-
(4,825)	2,808,195	2,761,810	2,947	43,439	-
5,602	9,519,747	9,322,074	584	197,090	-
-	1,523,312	1,523,301	11	-	-
-	619,886	599,554	20,332	-	-
(21,021)	45,358	45,356	1	-	-
542,668	2,297,141	1,228,052	-	517,744	551,345
12,697	5,835,145	5,433,968	8,109	393,068	-
13,926	480,822	475,142	328	213	5,139
1,436,773	19,534,879	19,154,700	3,807	183,697	192,675
928,205	17,089,991	16,689,862	2,840	166,725	230,564
86,748	15,676,123	15,390,994	7,292	277,838	-
1,095,584	20,178,089	19,828,259	4,007	193,350	152,473
6,863	669,304	641,237	130	19,090	8,847
64,277	1,747,751	1,738,202	337	3,809	5,403
-	2,656,424	1,996,760	60,403	599,261	-
100,457	5,192,525	5,183,804	6,385	2,334	-
(25,000)	2,313,188	1,534,493	468,918	2,088	307,690
(78,552)	1,305,744	1,136,851	33,063	7,160	128,670
(25,000)	438,330	438,262	68	-	-
-	42,750	39,634	3,116	-	-
908,560	2,387,956	601,175	-	239,144	1,547,637
101,951	7,710,420	7,666,053	69	44,243	55
79,383	2,185,030	2,123,324	4,382	27,749	29,574
372,061	8,543,482	8,259,994	2,851	201,172	79,464
106,404	2,026,624	2,009,112	5,994	11,506	11
500,751	13,098,184	12,868,842	38,496	135,481	55,364
-	-	-			-
2,137	327,318	324,426	2,624	268	-
4,942	850,344	729,148	81,932	29,493	9,770
6,350,660	364,920,783	349,328,750	1,615,838	5,892,528	8,083,666

EXHIBIT A-4

GENERAL FUND

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Legislative	Contingent Account
LABOR			
Labor Department			
Bureau of Labor and Industry	$ 4,042	$ 1,661,061	$ -
Labor Relations Board	-	344,158	-
Other	200,800	1,518,601	15,000
	204,842	3,523,820	15,000
NATURAL RESOURCES			
Conservation Department			
Central Administration	365	706,685	-
Construction, Repairs and Improvements	145,114	349,675	-
Bureau of Forestry	525,383	7,622,764	-
Bureau of Geology	127,728	1,151,772	-
Conservation Corps	-	174,240	-
Land Use Regulation Commission	53,638	693,894	-
Bureau of Parks and Recreation	101,975	3,786,725	-
Bureau of Public Lands			
Municipal Recreation Fund	28	-	-
Environmental Protection Department	224,331	4,963,652	8,000
Inland Fisheries and Wildlife Department			
Warden Services	-	100,484	-
Atlantic Sea Run Salmon Commission	53,629	276,273	-
Independent Agencies			
Saco River Corridor Commission	-	15,000	-
Atlantic State Marine Fisheries	-	15,971	-
Other	-	150,000	-
	1,232,190	20,007,135	8,000
PUBLIC PROTECTION			
Military, Civil Emergency Preparedness And Veterans Services Department			
Administration	-	224,836	-
Military Bureau	5,701	3,032,379	-
Bureau of Civil Emergency Preparedness	2,728,954	345,876	-
Bureau of Veterans Services	1,698	1,059,526	-
Construction, Repairs and Improvements	249,915	-	-
Public Safety Department			
State Police	37,661	5,742,014	-
Maine Criminal Justice Academy	8,606	586,815	-
Liquor Enforcement	1,679	847,497	-
Bureau of Capitol Security	-	304,068	-
Drug Trafficking	559,558	-	
Construction, Repairs and Improvements	16,675	-	-
	3,050,889	12,702,569	0

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ 10,775	$ 1,675,878	$ 1,642,936	$ 30,257	$ 2,685	$ -
710	344,868	330,565	12,103	2,200	-
5,362	1,739,763	1,712,777	1,390	778	24,818
16,847	3,760,509	3,686,278	43,750	5,663	24,818
(1,352)	705,698	688,712	14,825	2,161	-
162,036	656,825	395,915	18,630	20,130	222,150
115,443	8,263,590	7,768,185	4,039	156,407	334,957
14,195	1,293,695	888,263	13,200	54,232	338,000
-	174,240	157,608	16,237	395	-
-	747,532	657,414	41,335	48,783	-
391,299	4,279,999	3,853,046	7,909	123,102	295,942
-	28	28	-		-
21,353	5,217,336	4,704,353	172,805	152,180	187,999
-	100,484	100,484	-	-	-
-	329,902	223,889	61,013	-	45,000
-	15,000	15,000	-	-	-
-	15,971	15,971	-	-	-
-	150,000	10,831	-	131,777	7,391
702,974	21,950,299	19,479,671	350,021	689,167	1,431,439
18,121	242,957	242,675	67	215	-
29,789	3,067,869	2,916,132	150,713	1,024	-
1,552	3,076,382	2,155,324	5,293	19,060	896,705
(33,187)	1,028,037	1,016,812	2,641	8,583	-
722,733	972,648	592,668	-	238,482	141,498
9,682	5,789,357	5,700,163	23,494	65,093	606
2,660	598,081	589,297	1,374	7,410	-
6,194	855,370	830,422	11,160	13,789	-
5,805	309,873	305,159	3,306	1,408	-
-	559,558	225,981	85,878	1,810	245,889
80,784	97,459	7,329	-	-	90,131
844,133	16,597,591	14,581,962	283,926	356,874	1,374,829

EXHIBIT A-4

GENERAL FUND

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Legislative	Contingent Account
TRANSPORTATION			
Transportation Department			
Bureau of Public Transportation	$ 521,695	$ 400,000	$ -
Bureau of Waterways	394,206	5,943,895	-
Bureau of Aeronautics	51,438	1,617,319	-
Construction, Repairs and Improvements	15,382	13,200,000	-
	982,721	21,161,214	0
	$ 37,194,122	$1,182,969,563	$ 179,250

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ -	$ 921,695	$ 516,102	$ -	$ -	$ 405,593
-	6,338,101	2,182,217	-	394,147	3,761,737
546	1,669,303	1,504,889	157,060	7,335	-
-	13,215,382	15,381	-	-	13,200,000
546	22,144,481	4,218,589	157,060	401,482	17,367,330
$14,846,494	$1,235,189,429	$1,172,430,121	$4,858,010	$ 14,334,256	$ 43,567,040

EXHIBIT A-5

GENERAL FUNDS

COMBINED STATEMENT OF EXPENDITURES BY CHARACTER AND OBJECT

	Year Ended June 30, 1988	1987
PERSONAL SERVICES		
Salaries and Wages	$ 177,192,832	$ 166,985,319
Retirement Costs	34,767,005	31,335,264
Health Insurance and Other Fringe Benefits	12,043,622	10,022,827
Unemployment Reimbursements	336,552	342,467
	224,340,011	208,685,878
CONTRACTUAL SERVICES		
Professional Fees and Special Services	23,852,736	22,259,308
Traveling Expenses	5,941,075	5,505,466
Operating State-Owned Vehicles	1,649,517	1,686,065
Utility Services	8,151,556	7,720,525
Rents	4,419,274	4,006,148
Repairs and Insurance	5,083,591	6,229,577
General Operating Expenses	18,149,867	15,316,717
	67,247,616	62,723,805
COMMODITIES		
Foods	3,124,238	2,969,802
Fuels	2,358,451	2,165,779
Materials	332,811	335,300
Office and Other Supplies	6,570,502	6,766,931
	12,386,002	12,237,812
GRANTS, SUBSIDIES AND PENSIONS		
To Federal Government	106,181	65,200
To Cities, Towns and Counties	383,165,504	332,443,653
To Public and Private Organizations	178,443,090	148,799,253
To Individuals:		
Aid to Families with Dependent Children	22,630,887	23,489,317
Supplemental Social Security Income	12,830,734	12,814,411
Assistance and Medical Care	119,937,367	103,095,863
Teacher Recognition Grants	-	14,525,653
Pensions and Compensation for Injuries	5,977,842	5,043,155
Other	337,944	626,894
	723,429,549	640,903,398
CAPITAL OUTLAYS		
Land, Buildings and Improvements	4,236,220	4,809,460
Equipment	3,252,470	3,170,125
	7,488,690	7,979,584
DEBT SERVICE		
Principal	28,100,000	26,110,000
Interest	13,840,112	13,306,396
	41,940,112	39,416,396
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS		
Maine State Retirement System	88,869,935	68,962,412
Transfers to Other Funds	6,728,206	4,281,369
	95,598,141	73,243,781
Total Expenditures	$1,172,430,121	$1,045,190,655

EXHIBIT A-6

GENERAL FUND

Analysis of State Contingent Account
Year Ended June 30, 1988

Balance July 1, 1987		$ 600,000
GENERAL GOVERNMENT		
Contingent Management		
Mother of the Year National Conference	$1,600	
Grant - Federal Government Department of Labor	6,977	
Edes Case	2,673	
Bangor - General Electric	80,000	
ECONOMIC DEVELOPMENT		
Department of Agriculture	65,000	
LABOR		
Department of Labor	15,000	
NATURAL RESOURCES		
Environmental Protection Department	8,000	
Total Appropriations		179,250
Amount Necessary to Restore Balance		179,250
Balance June 30, 1988		600,000
Increase Effective June 30, 1988 Chapter 816 PL		750,000
Balance June 30, 1988		$1,350,000

Reference: 5 M.R.S.A., Section 1507

EXHIBIT A-7

GENERAL FUND

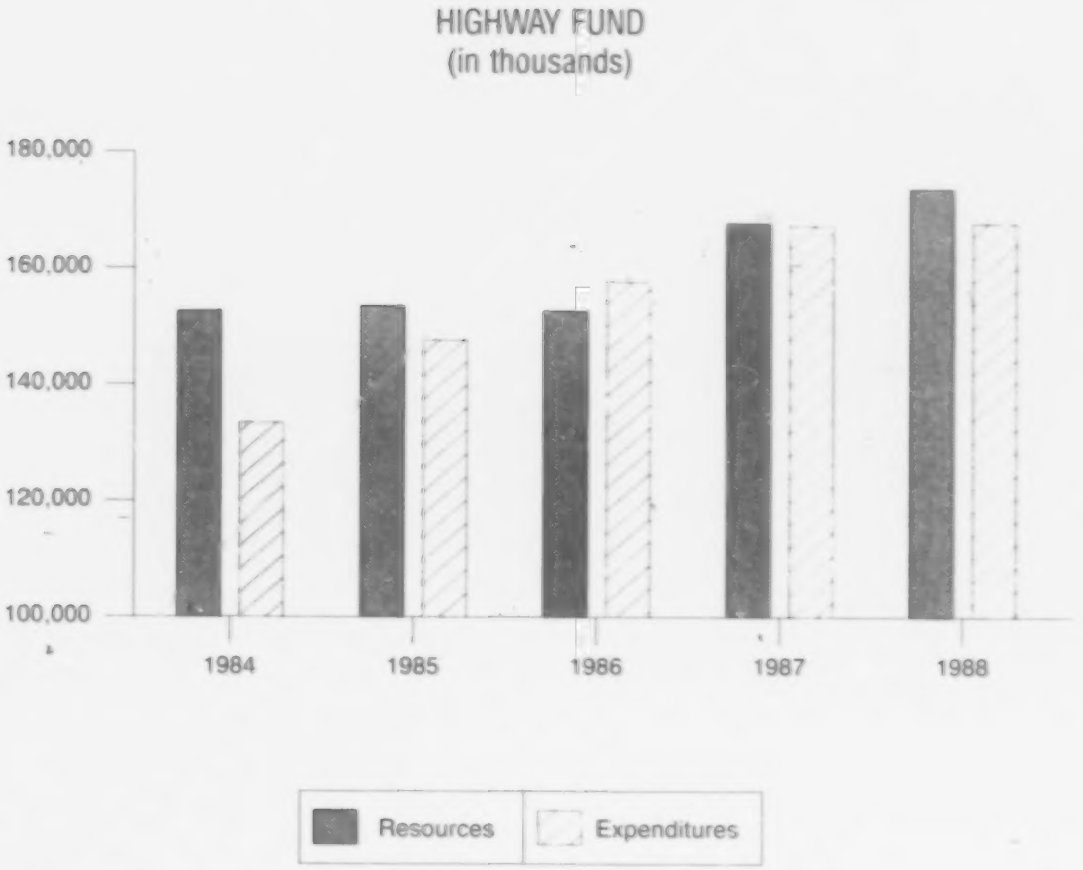
DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL FUND BONDS

Fiscal Year	Principal	Interest
1989	$ 31,295,000	$13,013,753
1990	28,345,000	10,892,433
1991	25,000,000	9,011,378
1992	23,215,000	7,425,393
1993	20,355,000	5,997,874
1994	18,300,000	4,753,372
1995	14,745,000	3,662,369
1996	11,855,000	2,694,450
1997	8,515,000	1,892,825
1998	5,415,000	1,396,950
1999	2,945,000	1,063,125
2000	2,945,000	821,225
2001	2,855,000	579,325
2002	2,405,000	365,125
2003	2,350,000	193,488
2004	620,000	49,600
	$201,160,000	$63,812,685

HIGHWAY FUND

The Highway Fund is used to account for revenues derived from registration of motor vehicles, operators' licenses, gasoline tax, other dedicated revenues and proceeds of bonds. The Federal matching funds and corresponding expenditures are accounted for in the Other Special Revenue Funds.

This Fund is allocated by the Legislature for the operation of the Department of Transportation to construct and maintain highways and bridges, other allied programs and seventy-two percent of the cost of State Police administration. In addition to the revenues, the Legislature allocates bonds that have been authorized. The allocation of bond proceeds for the 1988 fiscal year was $9,500,000.



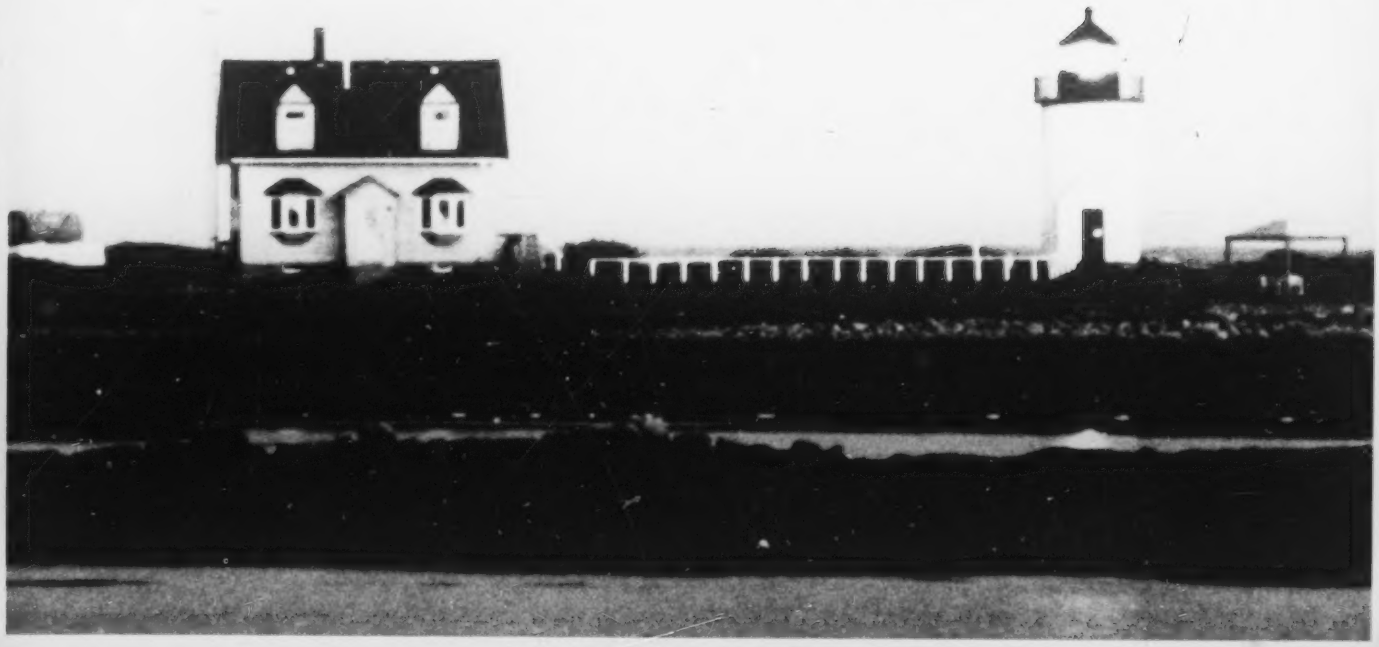


EXHIBIT B-1

HIGHWAY FUND

COMPARATIVE BALANCE SHEET

	June 30, 1988	1987
ASSETS		
Equity in Treasurer's Cash Pool	$29,606,512	$31,040,639
Cash - Other	37,275	25,100
Accounts Receivable		
Tax Accounts	7,385,000	3,447,590
Other	181,253	112,232
	7,566,253	3,559,822
Less Allowance for Possible Losses	316,821	414,234
Net Accounts Receivable	7,249,432	3,145,588
Due from Other Funds	401,511	386,066
Working Capital Advances to Other Funds	13,182,114	13,182,115
Due from the Portland Terminal Company	230,754	274,463
Other Assets	722,540	442,704
	$51,530,138	$48,496,675
LIABILITIES AND EQUITY		
Liabilities		
Accounts Payable	$ 394,704	$ 2,541,399
Due to Other Funds	990,753	590,125
Other Liabilities	43,172	27,377
	1,428,629	3,158,901
Equity		
Allocated:		
Encumbrances	3,626,308	2,310,262
Authorized Expenditures	20,581,504	21,793,966
	24,207,812	24,104,228
Less - Amount to be provided from Bond Issues	13,500,000	9,000,000
	10,707,812	15,104,228
Portland Terminal Company	230,754	274,463
Working Capital Advances	13,182,114	13,182,115
Advance to Other Funds	366,779	366,779
Plant Nursery	39,803	40,799
	24,527,262	28,968,384
Unallocated Fund Balance	25,574,248	16,369,390
	50,101,510	45,337,774
	$51,530,138	$48,496,675

EXHIBIT B-2

HIGHWAY FUND

ANALYSIS OF CHANGES IN UNALLOCATED FUND BALANCE

	Years Ended June 30,	
	1988	**1987**
Balance at Beginning of Year	$ 16,369,390	$ 8,434,174
Adjustment of Prior Year Transactions	(138,080)	1,450,051
	16,231,310	9,884,225
Additions:		
Revenues	167,583,861	151,956,838
Appropriation of Balances Carried Forward Beginning of Year (Adjusted)	24,236,085	27,397,403
Allocation of Proceeds of Bond Issues	9,500,000	15,000,000
Repayment of Appropriated Receivables, Advances, Etc.	43,709	43,709
Transfer from Other Funds (net)	(32,099)	4,621,106
	201,331,556	199,019,056
Deductions:		
Expenditures	167,751,868	167,872,756
Appropriation Balances Carried Forward End of Year	24,207,812	24,104,228
Increases in Reserves, Contingencies, Etc.	28,938	556,906
	191,988,618	192,533,890
Balance at End of Year	$ 25,574,248	$ 16,369,391

EXHIBIT B-3

HIGHWAY FUND

COMPARATIVE STATEMENT OF REVENUES

	Years Ended June 30, 1988	Years Ended June 30, 1987	1988 Budgeted Revenue
TAXES			
Gasoline Tax	$ 82,268,774	$ 76,139,526	$ 79,025,000
Use Fuel and Motor Carrier Tax	16,201,706	14,818,570	16,754,500
Motor Vehicle Fees and Driver's Licenses	57,832,104	50,332,829	51,860,344
Other	967,983	1,058,117	742,442
Total Taxes	157,270,567	142,349,042	148,382,286
FINES, FORFEITS AND PENALTIES	739,960	717,399	1,497,356
INCOME FROM INVESTMENTS	1,228,417	1,143,123	1,400,000
CITIES, TOWNS AND COUNTIES	3,258	(377)	63,500
SERVICE CHARGES FOR CURRENT SERVICES	8,208,145	7,632,768	7,480,998
OTHER REVENUES	133,513	114,884	89,800
	$167,583,860	$151,956,839	$158,913,940

EXHIBIT B-4

HIGHWAY FUNDS

SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Legislative Allocation
GENERAL GOVERNMENT		
Bureau of Public Improvements	$ 3,773	$ 592,409
Secretary of State	629,813	12,513,739
Other		336,264
	633,586	13,442,412
ECONOMIC DEVELOPMENT		
State Claims Board	-	125,325
PUBLIC PROTECTION		
Public Safety Department	53,733	16,837,319
TRANSPORTATION		
Administration Costs	3,245,427	8,199,398
Highway Construction	13,061,223	32,463,523
Maintenance	5,707,646	71,620,917
Other	1,534,470	24,000
Debt Service		
Interest on Bonded Indebtedness	-	7,250,800
Retirement of Bonds	-	9,195,000
	23,548,766	128,753,638
	$24,236,085	$159,158,694

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance, June 30, 1988		
			Lapsed	Carried	Unencumbered Balance
$ 54,752	$ 650,934	$ 637,298	$ 12,599	$ 1,037	$ -
(59,998)	13,083,554	11,954,846	2,312	539,718	586,678
	336,264	336,264			
(5,246)	14,070,752	12,928,408	14,911	540,755	586,678
-	125,325	90,917	34,184	224	-
406,051	17,297,103	16,212,776	526,338	557,989	-
(432,904)	11,011,921	8,010,438	135,817	266,543	2,599,123
9,500,000	55,024,746	46,471,771	-	501,039	8,051,936
-	77,328,563	67,342,378	-	1,759,758	8,226,427
-	1,558,470	441,131	-	-	1,117,339
-	7,250,800	7,059,049	191,751	-	-
-	9,195,000	9,195,000	-	-	-
9,067,096	161,369,500	138,519,767	327,568	2,527,340	19,994,825
$ 9,467,901	$192,862,680	$ 167,751,868	$903,001	$3,626,308	$ 20,581,503

EXHIBIT B-5

HIGHWAY FUND

COMBINED STATEMENT OF EXPENDITURES BY CHARACTER AND OBJECT

	Year Ended June 30,	
	1988	1987
PERSONAL SERVICES	$ 48,405,494	$ 48,365,208
Salaries and Wages	10,638,948	8,956,230
Retirement Costs	4,113,388	3,701,376
Health Insurance and Other Fringe Benefits	138,199	183,046
Unemployment Reimbursements	-	
	63,296,029	61,205,860
CONTRACTUAL SERVICES		
Professional Fees and Special Services	4,494,322	4,166,463
Traveling Expenses	980,189	1,040,806
Operating State-Owned Vehicles	1,231,637	1,274,720
Utility Services	2,267,743	1,990,766
Rents	19,353,987	20,705,986
Repairs and Insurance	726,660	812,289
General Operating Expenses	2,144,198	1,335,261
	31,198,736	31,326,291
COMMODITIES		
Foods	-	-
Fuels	191,723	184,945
Materials	8,694,142	11,325,091
Office and Other Supplies	2,096,345	3,142,993
	10,982,210	14,653,029
GRANTS, SUBSIDIES AND PENSIONS		
To Cities, Towns and Counties	16,519,519	16,095,769
Pensions and Compensation for Injuries	2,315,216	2,205,449
	18,834,735	18,301,218
CAPITAL OUTLAYS	24,519,354	23,821,889
DEBT SERVICE		
Principal	9,195,000	8,875,000
Interest	7,059,049	7,298,361
	16,254,049	16,173,361
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS	2,666,755	2,391,106
Total Expenditures	$167,751,868	$167,872,754

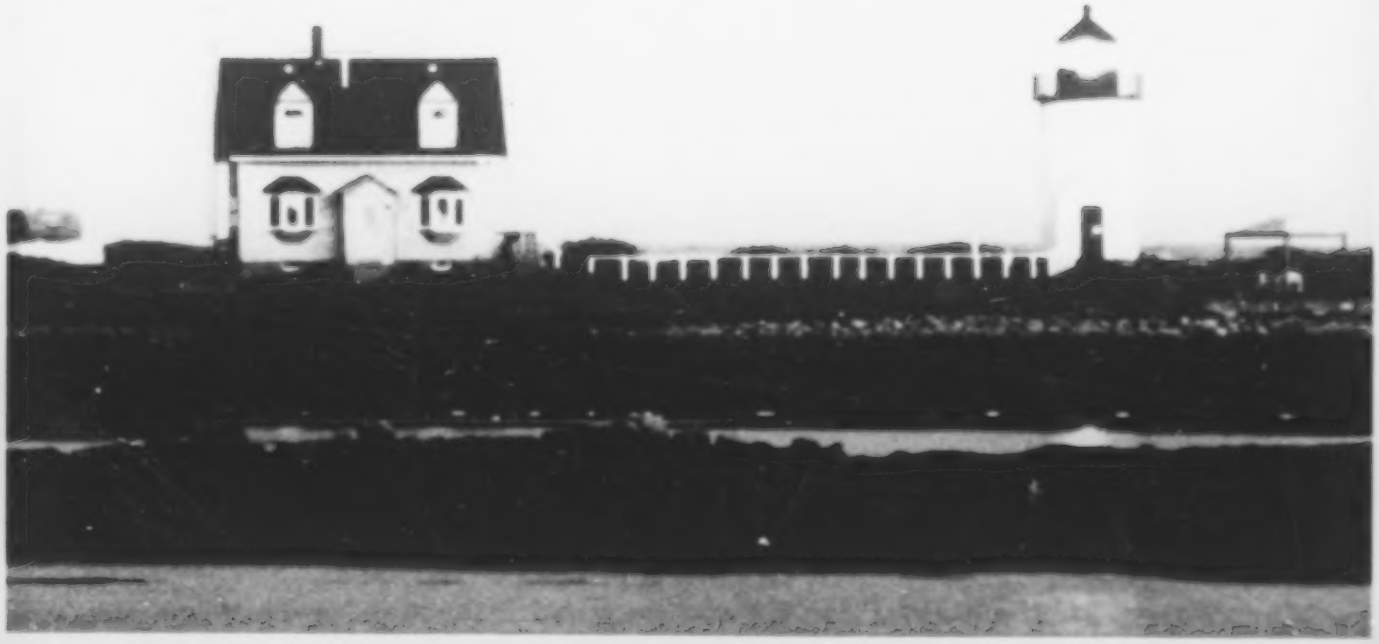
EXHIBIT B-6

HIGHWAY FUND

DEBT SERVICE REQUIREMENTS TO MATURITY
HIGHWAYS AND BRIDGES

Fiscal Year	Principal	Interest
1989	$ 9,320,000	$ 6,526,328
1990	8,840,000	5,841,415
1991	8,840,000	5,180,459
1992	8,075,000	4,559,652
1993	7,675,000	3,984,096
1994	7,000,000	3,442,780
1995	7,000,000	2,909,651
1996	5,885,000	2,392,982
1997	5,255,000	1,930,297
1998	4,255,000	1,550,312
1999	3,755,000	1,219,475
2000	3,755,000	915,237
2001	3,105,000	611,000
2002	2,685,000	364,363
2003	2,010,000	157,213
2004	665,000	50,513
2005	50,000	438
	$88,170,000	$41,636,211

Joseph Devaney



OTHER SPECIAL REVENUE FUNDS

Other Special Revenue Funds are a grouping of various purpose funds which have been established on a self-supporting basis. Revenues are generated by taxes, licenses, fees and Federal matching funds and grants. Expenditures of these funds can only be made in accordance with restrictions imposed by the source of the revenues.

In accordance with the research report, Preferred Accounting Practices for State Governments, published by the Council of State Governments, the Employment Security Trust Fund is reported as an Expendable Trust. Prior to 1983 it was reported as a special revenue funds.

EXHIBIT C-1

OTHER SPECIAL REVENUE FUNDS

COMPARATIVE BALANCE SHEET

	June 30, 1988	1987
ASSETS		
Equity in Treasurer's Cash Pool	$ 76,354,011	$ 65,155,829
Cash - Other	21,775	21,535
Grants Receivable	10,017,180	16,677,754
Accounts Receivable		
Tax Accounts	8,337,652	26,302,461
Other	2,986,672	1,836,098
	11,324,326	28,138,559
Less Allowance for Possible Losses	1,453,316	1,375,170
Net Accounts Receivable	9,871,011	26,763,389
Due from Other Funds	4,470,024	5,014,901
Other Assets	1,080,374	931,625
	$101,814,375	$114,565,034
LIABILITIES AND EQUITY		
Liabilities		
Accounts Payable	$ 5,328,743	$ 6,548,074
Due to Other Funds	918,091	757,944
Other Liabilities	4,198,458	5,103,224
	10,445,292	12,409,242
Working Capital Advances		
From General Fund	200,000	165,000
Equity		
Encumbrances	22,471,628	31,103,817
Authorized Expenditures - Unencumbered	68,697,455	70,886,975
	91,169,083	101,990,792
	$101,814,375	$114,565,034

Federal Expenditures	Federal Block Grants	Other Special Revenue
$ 9,646,125	$ 384,695	$66,323,190
70	-	21,705
	10,017,180	
8,210,568	-	127,085
-	-	2,986,674
8,210,568	0	3,113,759
-	-	1,453,316
8,210,568	0	1,660,443
23,084	-	4,446,940
817,589	20,758	242,027
$ 18,697,436	$ 10,422,633	$72,694,306
$ 2,685,250	$ 650,986	$ 1,992,507
610,525	17,466	290,100
2,473	-	4,195,985
3,298,248	668,452	6,478,592
200,000	-	-
7,818,284	9,754,181	4,899,162
7,380,903	-	61,316,552
15,199,187	9,754,181	66,215,714
$ 18,697,436	$ 10,422,633	$72,694,306

EXHIBIT C-2

OTHER SPECIAL REVENUE FUNDS

ANALYSIS OF CHANGES IN AVAILABLE FUNDS

	Years Ended June 30,	
	1988	**1987**
Balance at Beginning of Year	$101,990,792	$ 73,754,985
Adjustment of Prior Year Transactions	(12,064,515)	401,697
	89,926,277	74,156,681
Additions:		
Revenues	740,035,112	704,961,585
Transfers from Other Funds (net)	4,202,392	3,183,133
	744,237,504	708,144,718
Deductions:		
Expenditures	742,449,696	675,497,418
Refunds of Prior Year Revenues and Advances from Other Funds		4,813,190
Transfers to Other Funds	545,003	-
	742,994,699	680,310,608
Balance at End of Year	$ 91,169,082	$101,990,792

Federal Expenditure Funds	Federal Block Grants	Other Special Revenue
$ 18,251,289	$20,270,902	$ 63,468,601
230,133	(6,598,117)	(5,696,531)
18,481,422	13,672,785	57,772,070
505,691,324	57,260,766	177,083,022
424,786	-	3,777,606
506,116,110	57,260,766	180,860,628
509,361,930	61,179,371	171,908,395
-	-	-
36,414	-	508,589
509,398,344	61,179,371	172,416,984
$ 15,199,188	$ 9,754,180	$ 66,215,714

EXHIBIT C-3

OTHER SPECIAL REVENUE FUNDS

COMPARATIVE STATEMENT OF REVENUES

	Year Ended June 30, 1988	Year Ended June 30, 1987
TAXES		
Property Taxes		
Unorganized Territories Tax	$ 7,589,355	$ 10,105,509
Spruce Budworm Tax	9,927	153,718
Sales and Use Tax	27,787,831	24,966,807
Income Taxes	29,979,948	24,670,662
Gasoline Tax	1,370,344	1,307,175
Public Utility	4,527,755	139,522
Inland Fishing, Hunting and Related Taxes	10,642,971	10,416,842
Snowmobile Fees	577,152	296,311
Taxes on Specific		
Businesses or Occupations:		
Potato Tax	828,172	840,578
Sardine Tax	188,328	193,664
Insurance Tax	4,854,767	2,511,204
Banks and Banking	1,569,984	1,357,947
Milk Purchases by Dealers	925,165	940,942
Pari-Mutuels	1,192,300	999,421
Other Taxes	8,530,145	7,562,952
Total Taxes	100,574,144	86,463,256
FINES, FORFEITS AND PENALITES	1,779,343	866,227
INCOME FROM INVESTMENTS	2,818,039	2,471,267
INTERGOVERNMENTAL REVENUES:		
Federal Government	562,745,732	558,236,540
Cities, Towns and Counties	3,402,818	5,360,474
REVENUES FROM PRIVATE SOURCES	28,290,831	24,041,332
SERVICE CHARGES FOR CURRENT SERVICES	21,581,537	16,697,416
SALES AND COMPENSATION FOR LOSS OF PROPERTY	1,774,498	2,727,326
TRANSFERRED FROM THE BUREAU OF ALCOHOLIC BEVERAGES	5,528,885	5,239,666
CONTRIBUTIONS AND TRANSFERS FROM OTHER FUNDS	11,539,286	2,858,082
	$740,035,113	$704,961,585

1988 Budget	Federal Expenditure Funds	Federal Block Grants	Other Special Revenue
$ 13,791,000	$ -	$ -	$ 7,589,355
1,141,006	-	-	9,927
28,460,403	-	-	27,787,831
26,615,601	-	-	29,979,948
1,286,454	-	-	1,370,344
2,219,000	-	-	4,527,755
10,653,130	-	-	10,642,971
755,851	-	-	577,152
900,000	-	-	828,172
391,992	-	-	188,328
4,926,576	-	-	4,854,767
1,457,500	-	-	1,569,984
998,011	-	-	925,165
1,027,000	-	-	1,192,300
10,330,577	-	-	8,530,145
104,954,101	0	0	100,574,144
1,750,703	-	-	1,779,343
771,060	203,413	-	2,614,627
642,690,123	505,484,965	57,260,767	-
11,713,038	-	-	3,402,818
29,507,843	-	-	28,290,831
32,812,023	-	-	21,581,537
3,053,987	2,946	-	1,771,551
5,300,000	-	-	5,528,885
7,422,325	-	-	11,539,286
$839,975,203	$505,691,324	$57,260,767	$177,083,022

EXHIBIT C-4

OTHER SPECIAL REVENUE FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Resources	
		Allocated	Unallocated
GENERAL GOVERNMENT			
Attorney General Department	$ 358,385	$ 80,000	$ 577,154
Audit Department	43,437	-	389,842
Executive Department	-		
Federal - State Coordinator	7,229	-	50,000
Blaine House	1	-	-
State Development Office	5,120	-	-
State Planning Office	15,767,300	12,255,990	2,139,266
Community Services	5,614,043	31,191,045	2,918,231
Office of Energy Resources	10,184,317	-	8,331,244
Other	3,341	-	3,255
Finance Department			
Unorganized Territories Services	-	-	-
Bureau of Taxation	2,887,269	-	1,111,825
Alcohol Premium Research Fund	1,207,014	-	5,284,458
Other	1,648,675	-	1,744,260
Administration Department			
Bureau of Public Improvements	32,207	-	580,458
Bureau of Purchases	-	-	-
Other	-	-	-
Judicial Department			
Supreme, Superior and District Courts	92,544	61,038	258,565
Legislative Department			
Legislature	23,313	-	-
Other	-	-	-
Secretary of State Department			
Secretary of State	17,774	-	22,709
Highway Safety	-	-	63,007
State Archives	15,004	-	19,291
Treasurer of State			
Municipal Revenue Sharing	(3,005)	-	57,767,779
Independent Agencies			
Board of Bar Examiners	109,740	-	94,076
Accident Sickness and Health Insurance	212,568	-	569,810
Maine Indian Tribal State Commission	12,683	-	2,317
	38,238,958	43,588,073	81,927,547

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ 346,051	$ 1,361,590	$ 1,005,241	$ 91,308	$ 3,590	$ 261,451
-	433,279	410,147	-	-	23,132
-	57,229	50,777	-	-	6,452
-	1	1	-	-	-
-	5,120	(1)	-	-	5,121
(25,833,730)	4,328,826	4,265,790	6,399	327,823	(271,186)
1,170,000	40,893,319	29,884,438	7,902,686	3,861,415	(755,220)
(2,363,067)	16,152,494	1,723,881	-	6,498	14,422,115
14,710	21,306	10,678	-	-	10,628
-	-	-	-	-	-
100,000	4,099,094	3,584,288	-	-	514,806
(5,048,973)	1,442,499	-	-	-	1,442,499
(1,055,303)	2,337,632	-	-	-	2,337,632
35,999	648,664	594,675	-	115,459	(61,470)
-	-	-	-	-	-
-	-	-	-	-	-
86,000	498,147	317,915	1,038	-	179,194
-	23,313	1,131	-	-	22,182
-	-	-	-	-	-
-	40,483	12,889	-	-	27,594
-	63,007	58,609	-	-	4,398
-	34,295	12,778	-	-	21,517
-	57,764,774	56,922,979	-	-	841,795
-	203,816	77,833	-	650	125,333
-	782,378	245,964	-	10,346	526,068
0	15,000	8,943	-	-	6,057
(32,548,313)	131,206,265	99,188,955	8,001,431	4,325,781	16,690,100

EXHIBIT C-4

OTHER SPECIAL REVENUE FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Resources	
		Allocated	Unallocated
ECONOMIC DEVELOPMENT			
Agriculture Department	$ 3,217,536	$ -	$ 9,119,319
Business Regulation Department	4,536,978	-	6,334,658
Marine Resources Department	1,188,589	-	1,053,182
Independent Agencies			
Regulatory Boards	597,776	-	306,506
Public Utilities Commission	658,062	-	4,783,135
Blueberry Advisory Board	408,460	-	510,070
Maine Sardine Council	168,703	-	217,575
Maine State Housing Authority	970,739	-	6,937,028
Other	(45,308)	-	677,359
	11,701,535	0	29,938,833
EDUCATION AND CULTURAL SERVICES			
Education and Cultural Services Department			
Administration	45,453	492,845	266,509
Local School Nutrition Program	5,675	-	12,552,796
Schooling of Children in Unorganized Ter	39,673	8,381	92
School Construction Aid	2,854,121	1,987,118	-
Vocational Education			
Administration	751,000	-	4,292,461
Post Secondary	49,247	-	97,453
Central Maine Voc. Tech. Institute	147,822	-	903,269
Eastern Maine Voc. Tech. Institute	157,177	-	2,120,575
Kennebec Valley Voc. Tech. Institute	365,377	-	520,439
Northern Maine Voc. Tech. Institute	188,119	-	1,825,328
Southern Maine Voc. Tech. Institute	503,983	-	1,930,496
Washington County Voc. Tech. Institute	94,173	-	497,271
Adult Education	69,896	-	647,229
Low Income and Exceptional Children	364,533	67,852	28,673,234
Student Loan Program	5,698,405	-	4,602,066
Other Education Programs	1,724,089	-	2,930,440
Governor Baxter School for the Deaf	37,611	2,150	10,454
State Historian	-	-	-
Maine Historic Preservation Comm.	4,294	-	353,899
Arts and Humanities	24,901	-	451,922
State Library	88,449	-	850,665
Museum	47,806	-	61,946
	13,261,802	2,558,346	63,588,544

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ 6,004	$ 12,342,859	$ 8,938,448	$ -	$ 220,435	$ 3,183,976
42,390	10,914,026	5,284,670	-	451,070	5,178,286
182,122	2,423,893	1,074,794	-	22,170	1,326,929
(26,870)	877,413	202,716	-	-	674,696
-	5,441,197	2,341,313	-	169,131	2,930,753
-	918,530	602,460	-	-	316,070
-	386,278	203,517	-	1,377	181,384
-	7,907,767	7,325,028	-	-	582,739
26,357,088	26,989,139	11,688,841	9,045,322	7,289,478	(1,034,502)
26,560,734	68,201,102	37,661,785	9,045,322	8,153,661	13,340,333
68,407	873,214	704,447	76,206	86,680	5,881
(7,742)	12,550,729	12,319,730	-	3,500	227,499
168,925	217,071	169,924	1,665	480	45,002
1,965,911	6,807,150	4,459,809	84,513	-	2,262,828
(1,612,004)	3,431,457	2,801,055	-	162,519	467,883
(72,300)	74,400	25,000	-	-	49,400
192,150	1,243,241	1,106,014	-	3,924	133,303
365,818	2,643,570	2,149,296	-	9,521	484,753
301,242	1,187,058	738,475	-	9,585	438,998
180,167	2,193,614	1,785,975	-	7,197	400,442
504,503	2,938,982	2,514,477	-	171,713	252,792
100,000	691,444	536,717	-	3,184	151,543
(17,902)	699,223	660,820	-	543	37,860
(484,624)	28,620,995	28,109,908	2,696	6,306	502,085
(9,621)	10,290,850	3,553,798	-	48,000	6,689,052
2,388,365	7,042,894	4,856,515	-	136,378	2,050,001
42,369	92,584	25,232	4	610	66,738
-	-	-	-	-	-
(5,580)	352,613	315,399	-	9,334	27,880
(3,000)	473,823	427,014	-	-	46,809
-	939,114	834,401	-	42,318	62,395
-	109,752	60,110	-	350	49,292
4,065,084	83,473,776	68,154,110	165,084	702,142	14,452,440

EXHIBIT C-4

OTHER SPECIAL REVENUE FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Resources	
		Allocated	Unallocated
HUMAN SERVICES			
Human Services Department			
Administration	$ 278,784	$ 3,173,820	$ 97,870
Bureau of Health	1,166,369	-	12,399,383
Emergency Medical & Disease Prevention	5,987	895,118	-
Medical Care Administration	128,814	-	9,858,171
Medical Care Payments	3,451,519	3,185,451	213,460,385
Bureau of Social Welfare	593,204	-	15,466,850
Aid to Families with Dependent Children	2,178,072	-	72,214,949
Bureau of Resource Development	42,230	-	919,836
Purchased Social Services	456,410	8,787,882	9,999,559
Child Welfare Services	4,305	-	1,435,220
Bureau of Rehabilitation	1,398,693	2,207,808	13,064,504
Bureau of Maine's Elderly	110,013	-	4,895,435
Other	1,050,473	-	1,130,521
Mental Health and Mental Retardation			
Community Mental Health	128,868	1,070,336	847,341
Title XX Federal Mental Health	-	273,895	-
For the Homeless	-	275,000	
Food	3,838	-	-
Capital Construction, Repairs and Improv	32,835	-	6,858
Childrens Mental Health Services	-	1,004,048	303,000
Military and Naval Children's Home	-	-	-
Augusta Mental Health Inst.	96,939	-	462,141
Bangor Mental Health Inst.	82,075	-	198,270
Community Mental Retardation Service	13,634	-	318,037
Title XX Federal Mental Retardation	1	923,073	-
Pineland Center	20,390	500	130,295
Aroostook Residential Center	-	-	-
Elizabeth Levinson Center	6,758	-	-
Corrections Department			
Administration	37,413	80,000	248,115
Community Correctional Services	3,007	-	43,600
Probation and Parole	3,912	50,000	-
Food	2,414	-	337
Alcohol and Drug Abuse	50,317	-	-
Capital Construction, Repairs and Improv	-	-	-
Maine Youth Center - South Portland	108,349	6,000	-
Charleston Correctional Facility	-	25,851	20,428
Maine Correctional Center	40,850	-	59,298
Down East Correctional Facility	249	-	-
State Prison	31,567	-	15,711
Independent Agencies			
Human Resources Council	3,999	59,080	-
Human Rights Commission	42,908	-	226,460
Advisory Council on Status of Women	202	-	13,287
Maine Health Care Finance Commission	547,088	-	1,158,102
Maine Childrens' Trust Fund	124,061	-	16,360
	12,246,547	22,017,862	359,010,323

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$10,752,952	$ 14,303,426	$ 13,649,295	$ 8,348	$ 59,084	$ 586,699
26,390	13,592,142	12,650,003	-	853,396	88,743
-	901,105	841,901	41,048	18,156	-
(2,820,507)	7,166,478	6,822,950	-	193,049	150,479
-	220,097,355	218,999,697	216,847	214,685	666,126
(7,430,689)	8,629,365	8,022,929	-	64,397	542,039
5,480	74,398,501	72,600,291	-	-	1,798,210
(6,929)	955,137	875,159	-	293,822	(213,844)
(211,041)	19,032,810	18,072,562	133,290	750,606	76,352
(60,835)	1,378,690	1,378,046	-	24,809	(24,165)
2,699,630	19,370,635	18,592,440	95,853	1,194,573	(512,231)
354,664	5,360,112	5,343,101	-	712,472	(695,461)
(52,193)	2,128,801	1,074,106	-	88,113	966,582
781,286	2,827,831	2,569,187	126	331,834	(73,316)
-	273,895	273,895	-	-	-
	275,000	13,890		261,110	
-	3,838	-	-	-	3,838
-	39,693	10,192	-	148	29,353
-	1,307,048	1,273,147	23,008	43,915	(33,022)
-	-	-	-	-	-
1,101	560,181	546,583	-	-	13,598
6,300	286,645	221,478	-	-	65,167
-	331,671	306,456	-	46,029	(20,814)
-	923,074	889,879	33,195	-	-
9,769	160,954	134,464	104	248	26,138
-	-	-	-	-	-
15,114	21,872	7,690	-	3,861	10,321
-	365,528	251,515	60,645	112,700	(59,332)
-	46,607	43,439	-	-	3,168
-	53,912	11,786	3,314	38,812	-
-	2,751	-	-	-	2,751
477,111	527,428	485,020	-	42,408	-
-	-	-	-	-	-
142,643	256,992	189,048	-	1,659	66,285
46,410	92,689	82,659	48	-	9,982
47,831	147,979	68,172	-	-	79,807
11,265	11,514	9,770	-	-	1,744
3,000	50,278	17,661	-	-	32,617
40,000	103,079	97,011	-	-	6,068
-	269,368	205,040	-	-	64,328
-	13,489	9,583	-	-	3,906
-	1,705,190	1,006,958	-	114,796	583,436
-	140,421	69,938	-	27,406	43,077
4,838,752	398,113,484	387,716,937	615,826	5,492,088	4,288,633

EXHIBIT C-4

OTHER SPECIAL REVENUE FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Resources	
		Allocated	Unallocated
LABOR			
Labor Department			
Bureau of Labor and Industry	$ 1,325,412	$ -	$ 1,364,429
Employment Security - Administration	270,282	-	17,565,212
Labor Allowance	8,697	-	2,430,471
Labor Development and Training	166,256	-	10,849,697
Benefit Account	147,461	-	-
Trust Fund Accounts	-	-	1,593,571
	1,918,108	0	33,803,380
NATURAL RESOURCES			
Conservation Department			
Central Administration	118,619	-	35,306
Parks - Government Land Improvement Fund	-	-	-
Bureau of Forestry	634,412	-	551,072
Bureau of Geology	129,530	-	113,789
Land Use Regulation Commission	-	-	-
Bureau of Parks and Recreation	84,959	-	237,073
Bureau of Public Lands	3,120,011	-	2,045,567
Boating Facilities Fund	662,572	-	901,753
Snowmobile Trail Fund	82,757	-	672,408
Other	80,181	-	62,325
Environmental Protection Department			
Administration	28,172	-	-
Bureau of Air Quality	9,159	-	784,296
Bureau of Land Quality	198,119	-	651,962
Bureau of Water Quality	135,509	-	742,528
Waste Treatment Planning	32,431	-	2,310,481
Maine Coastal Protection Fund	1,105,428	-	4,258,114
Low Level Waste Site Fund	69,387	-	394,422
White Water Rafting	18,479	-	63,968
Inland Fisheries and Wildlife			
Administration, Warden & Bio Services	4,397,783	-	15,053,500
Non-Game Wildlife Fund	180,095	-	71,170
Atlantic Sea Run Salmon Commission	133,668	-	137,204
Snowmobile Registration	-	-	-
Water Registration and Safety	-	-	-
Independent Agencies			
Baxter State Park Authority	75,826	-	1,226,668
Maine Forest Authority	19,351	-	-
Low Level Radioactive Waste Authority			25,843
	11,316,450	0	30,339,449

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ 39,002	$ 2,728,843	$ 758,331	$ -	$ 71,341	1,899,171
42,490	17,877,984	16,919,137	-	917,301	41,546
-	2,439,168	2,424,785	-	-	14,383
(321,354)	10,694,599	10,631,830	-	21,670	41,099
1,593,571	1,741,032	1,135,970	-	-	605,062
(1,593,571)	-	-	-	-	-
(239,862)	35,481,626	31,870,053	0	1,010,312	2,601,261
140,264	294,189	143,048	-	15,694	135,447
-	-	-	-	-	-
(24,129)	1,161,355	528,308	-	18,307	614,740
48,185	291,504	125,553	-	5,367	160,584
-	-	-	-	-	-
16,487	338,519	173,354	-	6,527	158,638
(90,799)	5,074,779	3,212,808	-	77,639	1,784,332
(180,796)	1,383,529	605,632	-	152,593	625,304
(9,778)	745,387	545,685	-	28,656	171,046
2,250	144,756	65,712	-	2,000	77,044
757,203	785,375	599,874	-	22,034	163,467
99,932	893,387	801,744	-	58,563	33,080
169,697	1,019,778	718,567	-	114,959	186,252
(132,608)	745,429	661,058	-	4,602	79,769
(310,023)	2,032,889	1,906,116	-	97,772	29,001
(217,764)	5,145,778	3,804,286	-	888,469	453,023
(396,283)	67,526	10,450	-	-	57,076
(18,328)	64,119	57,154	-	-	6,965
(14,292)	19,436,991	14,526,061	-	537,851	4,373,079
14,575	265,840	165,283	-	30,031	70,526
-	270,872	158,532	-	774	111,566
-	-	-	-	-	-
-	-	-	-	-	-
34,106	1,336,600	1,221,363	-	64,577	50,660
-	19,351	-	-	-	19,351
206,312	232,155	232,155			
94,211	41,750,110	30,262,743	0	2,126,415	9,360,952

EXHIBIT C-4

OTHER SPECIAL REVENUE FUNDS

COMBINED SUMMARY OF APPROPRIATION ACCOUNTS SHOWING DETAIL OF AMOUNTS AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Resources	
		Allocated	Unallocated
PUBLIC PROTECTION			
Military, Civil Emergency Preparedness And Veterans Services Department			
Administration	$ -	$ -	$ -
Veteran's Memorial Cemetery	31,607	-	94,467
Military Bureau	637,603	-	6,969,691
Bureau of Civil Emergency Preparedness	239,567	-	910,099
Bureau of Veterans Services	-	-	-
Capital Construction, Repairs and Improv	-	-	-
Public Safety Department	-	-	-
State Police	1,048,748	-	2,839,281
Maine Criminal Justice Academy	409,145	279,865	161,551
Liquor Enforcement	-	-	-
Bureau of Capitol Security	-	-	-
State Fire Marshall	767,166	-	1,234,280
Drug Trafficking	-	1,371,597	-
Capital Construction, Repairs and Improv	-	-	-
	3,133,835	1,651,462	12,259,369
TRANSPORTATION			
Transportation Department			
Bureau of Public Transportation	507,501	-	3,803,014
Highway Safety	88,401	-	77,609
Administration Costs	625,149	-	1,275,934
Construction of Highways	2,780,618	-	64,871,915
Maintenance of Highways	3,883	-	-
Bureau of Aeronautics	44,210	-	7,722
Other	530,469	-	1,870,707
	4,580,231	0	71,906,901
	$96,397,466	$69,815,743	$682,774,346
DETAIL OF			
Federal Expenditure Fund	$18,481,422	$ -	$505,691,324
Federal Block - Grant	20,143,975	69,815,743	-
Other Special Revenue Fund	57,772,069	-	177,083,022
	$96,397,466	$69,815,743	$682,774,346

Transferred In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988		
			Lapsed	Encumbrances Carried	Unencumbered Balances
$ -	$ -	$ -	$ -	$ -	$ -
-	126,074	54,540	-	2,172	69,362
-	7,607,294	7,415,294	-	210,215	(18,215)
-	1,149,666	985,245	-	24,547	139,874
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
841,632	4,779,661	3,646,061	-	59,351	1,074,249
12,588	863,149	367,602	271,621	131,872	92,054
-	-	-	-	-	-
-	-	-	-	-	-
(31,860)	1,969,586	1,108,989	-	7,439	853,158
(18,138)	1,353,459	333,544	926,879	93,036	-
-	-	-	-	-	-
804,222	17,848,888	13,911,274	1,198,500	528,632	2,210,482
-	4,310,515	3,269,185	-	132,591	908,739
-	166,010	96,470	-	-	69,540
83,365	1,984,448	1,074,336	-	-	910,112
-	67,652,533	67,039,450	-	-	613,083
-	3,883	-	-	-	3,883
-	51,932	27,877	-	-	24,055
(803)	2,400,373	2,176,524	-	-	223,849
82,562	76,569,694	73,683,842	-	132,591	2,753,261
$3,657,390	$852,644,945	$742,449,696	$19,026,165	$22,471,628	$68,697,455
$ 388,373	$524,561,118	$509,361,930	$ -	$ 7,818,285	$ 7,380,903
-	89,959,718	61,179,371	19,026,165	9,754,181	-
3,269,017	238,124,109	171,908,395	-	4,899,162	61,316,552
$3,657,390	$852,644,945	$742,449,696	$19,026,165	$22,471,628	$68,697,455

EXHIBIT C-5

OTHER SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF EXPENDITURES BY CHARACTER AND OBJECT

	Year Ended June 30,	
	1988	1987
PERSONAL SERVICES		
Salaries and Wages	$ 78,692,552	$ 71,711,560
Retirement Costs	14,989,230	13,065,508
Health Insurance and Other Fringe Benefits	5,329,913	4,395,573
Unemployment Reimbursements	84,385	114,357
	99,096,080	89,286,999
CONTRACTUAL SERVICES		
Professional Fees and Special Services	17,878,516	16,554,336
Traveling Expenses	4,164,981	3,721,084
Operating State-Owned Vehicles	868,001	742,291
Utility Services	3,568,550	3,422,884
Rents	4,091,473	3,224,992
Repairs and Insurance	2,864,159	2,369,947
General Operating Expenses	6,599,892	5,251,746
	40,035,572	35,287,280
COMMODITIES		
Foods	330,929	300,969
Fuels	249,482	161,164
Materials	1,900,600	81,853
Office and Other Supplies	3,827,852	3,044,103
	6,308,863	3,588,090
GRANTS, SUBSIDIES AND PENSIONS		
To Federal Government	10,000	-
To Cities, Towns and Counties	111,987,556	95,703,625
To Public and Private Organizations	110,026,583	102,657,742
To Individuals:		
Aid to Families With Dependent Children	75,297,444	74,173,847
Assistance and Medical Care	231,847,179	216,888,263
Unemployment Compensation Benefits	1,139,656	1,043,772
Pensions and Compensation for Injuries	607,961	431,941
Other	2,361,739	2,182,042
	533,278,118	493,081,232
CAPITAL OUTLAYS		
Highway Contract Payments	49,738,584	42,414,374
Other	10,925,011	7,728,201
	60,663,595	50,142,575
CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS	3,067,468	4,111,241
	3,067,468	4,111,241
Total Expenditures	$742,449,696	$675,497,418

PROCEEDS OF BONDS FUNDS

General obligation and self-liquidating bond proceeds are recorded in the Proceeds of Bonds Funds. (Highway bond proceeds are reflected in the Highway Fund in conjunction with the regular highway construction program). During the 1988 fiscal year general obligation bonds in the amount of $50,270,000 were issued. $5,000,000 of these bonds is accounted for in the Highway Fund.

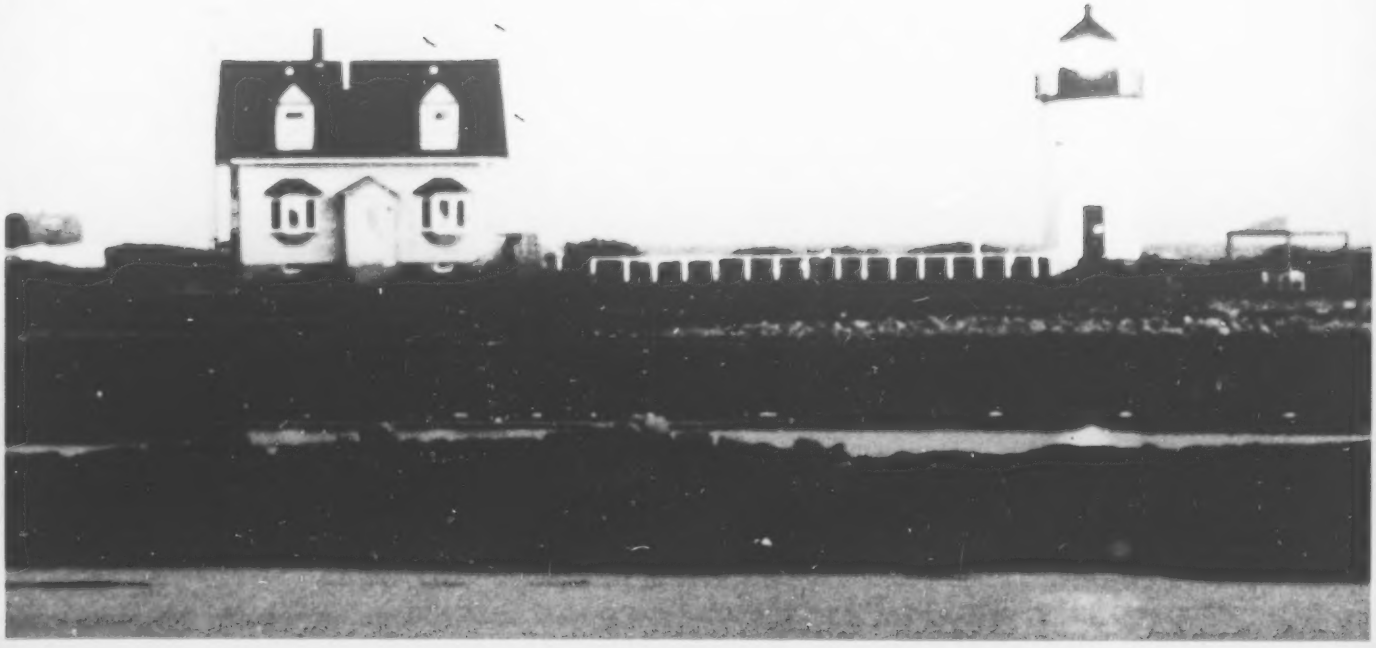


EXHIBIT D-1

PROCEEDS OF BONDS FUNDS

COMPARATIVE BALANCE SHEET

	June 30,	
	1988	1987
ASSETS		
Equity in Treasurer's Demand Cash and/or Invest	$82,779,188	$70,282,050
Other Assets	152	-
	$82,779,340	$70,282,050
LIABILITIES AND FUND EQUITY		
Accounts Payable	$27,820,467	$27,132,816
Due to Other Funds	152	-
	27,820,619	27,132,816
Fund Equity		
Encumbered	16,965,179	17,301,394
Unencumbered	37,993,542	25,847,840
	54,958,721	43,149,234
	$82,779,340	$70,282,050

EXHIBIT D-2

PROCEEDS OF BONDS FUNDS

SUMMARY OF ACCOUNTS SHOWING DETAIL OF AMOUNTS
AVAILABLE, EXPENDITURES AND DISPOSITION OF BALANCES AT JUNE 30, 1988

	Balance Forward July 1, 1987 (Adjusted)	Proceeds from Bonds and Bond Anticpation Notes
GENERAL GOVERNMENT		
Energy Conservation - State Buildings	$ 921,840	$ -
Asbestos in State Building	1,556,665	2,500,000
Handicapped Access - Courthouses	328,367	-
	2,806,872	2,500,000
EDUCATION AND CULTURAL SERVICES		
Student Loans	249,367	-
Historic Preservation	1,843,021	
Vocational Technical Institutes System	1,306,978	-
Energy Cons. Public Elementary & Secondary Schl.	1,241,070	-
University of Maine	2,400,000	5,300,000
Asbestos Removal in Schools		1,000,000
School Construction		5,000,000
	7,040,436	11,300,000
HUMAN SERVICES		
AMHI Activities Building	170,462	800,000
Correctional Facilities	3,604,458	9,035,000
	3,774,920	9,835,000
NATURAL RESOURCES		
Conservation Department		
Bureau of Parks and Recreation	1,652,152	-
Inland Fisheries and Wildlife	1,051,151	3,000,000
Environmental Protection		
Hazardous Waste Clean Up	643,032	1,635,000
Polution Abatement	15,281,737	9,500,000
Solid Waste	5,996	-
	18,634,068	14,135,000
TRANSPORTATION		
Airport Improvements	820,285	-
Maine State Pier Portland	76,599	-
Public Fish Piers	133,719	-
Construction and Improvements of Port Facilities	9,860,130	-
Railroad Right of Way	115,000	-
	11,005,734	0
	$43,262,030	$37,770,000

Revenue	Transferred - In/(Out)	Total Available	Expenditures	Unexpended Balance June 30, 1988 Encumbrances Carried	Unexpended Balance June 30, 1988 Unencumbered Balance
$ -	$ -	$ 921,840	$ 664,496	$ 128,784	$ 128,559
-	-	4,056,665	2,320,899	404,452	1,331,314
-	-	328,367	281,958	-	46,409
0	0	5,306,872	3,267,353	533,236	1,506,282
-	-	249,367	-	-	249,367
		1,843,021	435,303	1,407,719	
-	-	1,306,978	1,103,720	180,383	22,875
-	-	1,241,070	454,542	-	786,528
-	-	7,700,000	2,088,836	-	5,611,164
		1,000,000	736,088	1,297,249	(1,033,337)
		5,000,000	965,682	4,034,318	
0	0	18,340,436	5,784,171	1,477,632	11,078,634
-	-	970,462	296,990	635,731	37,741
-	-	12,639,458	3,893,086	4,045,400	4,700,972
0	0	13,609,920	4,190,076	4,681,131	4,738,713
59,145	-	1,711,297	176,895	96,973	1,437,430
33,565	-	4,084,716	2,360,360	3,500	1,720,856
-	-	2,278,032	507,324	364,241	1,406,467
-	-	24,781,737	8,626,895	9,791,989	6,362,852
-	-	5,996	-	2,856	3,140
92,710	0	32,861,778	11,671,474	10,259,559	10,930,745
-	-	820,285	353,978	-	466,307
-	-	76,599	-	-	76,599
-	-	133,719	114,419	13,308	5,992
-	-	9,860,130	784,548	313	9,075,270
-	-	115,000	-	-	115,000
0	0	11,005,734	1,252,945	13,621	9,739,168
$ 92,710	$ 0	$81,124,740	$26,166,019	$16,965,179	$37,993,542

EXHIBIT D-3

PROCEEDS OF BOND FUNDS

DEBT SERVICE REQUIREMENT TO MATURITY
SELF-LIQUIDATING BONDS

Fiscal Year	Principal	Interest
1989	$ 1,340,000	$ 765,887
1990	1,345,000	709,337
1991	1,420,000	652,540
1992	1,445,000	596,065
1993	1,365,000	539,917
1994	1,390,000	483,465
1995	1,370,000	426,137
1996	1,425,000	366,467
1997	1,455,000	304,445
1998	1,290,000	247,282
1999	875,000	196,340
2000	840,000	158,527
2001	715,000	125,580
2002	710,000	94,552
2003	595,000	66,447
2004	520,000	42,010
2005	400,000	20,160
2006	355,000	9,660
2007	70,000	4,125
2008	20,000	750
	$18,945,000	$5,809,693

DEBT SERVICE FUNDS

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. During the 1988 fiscal year the State retired $38,570,000 in debt and paid $21,719,356 in interest.

EXHIBIT E-1

DEBT SERVICE FUNDS

COMPARATIVE BALANCE SHEET

	June 30, 1988	1987
ASSETS		
Equity in Treasurer's Demand Cash and/or Investments	$ 3,949,500	$ 3,031,443
Cash - Other	926,716	681,918
Amount to be Provided for Retirement of General Long Term Debt	308,275,000	
	$313,151,216	$ 3,713,361
LIABILITIES AND FUND EQUITY		
Bonds Matured - Not Presented for Payment	$ 340,000	$ 305,000
Interest Matured - Not Presented for Payment	586,716	376,918
Bonds Payable	308,275,000	
Fund Equity	3,949,500	3,031,443
	$313,151,216	$ 3,713,361

EXHIBIT E-2

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND FUND EQUITY

	For the Year Ended June 30, 1988	1987
REVENUES		
Student Housing and Dining Facility Fees - Vocational Technical Institutes	$ 91,175	$ 74,732
Contribution from University of Maine and Maine Veterans Home	1,993,380	2,001,786
Income from Investments	3,426,028	2,876,637
Transfers from Other Funds		
General Fund	39,440,112	37,016,396
Highway Fund	16,254,049	16,173,361
Proceeds of Bond Fund	2,669	
	61,207,413	58,142,913
EXPENDITURES		
Redemption of Bonds	38,570,000	36,245,000
Interest on Bonds	21,719,356	21,478,787
	60,289,356	57,723,787
EXCESS TO FUND EQUITY	918,057	419,126
FUND BALANCE JULY 1, 1987	3,031,442	2,612,317
FUND BALANCE JUNE 30, 1988	$ 3,949,500	$ 3,031,442

Detail of This Year		
General Fund Issues	Highway Fund Issues	Other Issues
$ 3,731,759	$ -	$ 217,741
404,889	406,220	115,607
201,160,000	88,170,000	18,945,000
$205,296,648	$88,576,220	$19,278,348
$ 155,000	$ 130,000	$ 55,000
249,889	276,220	60,607
201,160,000	88,170,000	18,945,000
3,731,759	-	217,741
$205,296,648	$88,576,220	$19,278,348

Detail of This Year		
General Fund Issues	Highway Fund Issues	Other Issues
$	$ -	$ 91,175
-	-	1,993,380
3,406,346	-	19,682
39,440,112	-	-
-	16,254,049	-
2,669		
42,849,127	16,254,049	2,104,237
28,100,000	9,195,000	1,275,000
13,840,112	7,059,049	820,195
41,940,112	16,254,049	2,095,195
909,015	0	9,042
2,822,744	-	208,699
$ 3,731,759	$ 0	$ 217,741

ENTERPRISE FUNDS

Enterprise Funds are used to account for activities which provide services to the general public on a user-charge basis. Such funds are largely intended to be self-supporting, thus the enterprise accounts include fixed assets, depreciation and debt service.

The principal Enterprise Funds included:

Bureau of Alcoholic Beverages—The sale of alcoholic beverages is controlled through State-operated stores or licensed agents. Net income from the operation of the Bureau of Alcoholic Beverages is transferred to the General Fund.

Department of Transportation Services—The Department of Transportation operates the Augusta Airport, marine ports and the ferry services in the mid-coastal region of the State.

EXHIBIT F-1

ENTERPRISE FUNDS

COMPARATIVE BALANCE SHEET

	June 30,		Bureau of Alcoholic Beverages	Department of Transportation
ASSETS	**1988**	**1987**		
Current Assets				
Equity in Treasurer's Demand Cash and/or Investments	$11,674,540	$ 11,121,146	$ 3,009,065	$ 1,325,928
Cash - Other	1,027,296	480,478	785,046	1,650
Accounts and Notes Receivable - Less Allowance for Possible Losses	3,917,601	2,592,071	118,477	18,258
Due from Other Funds	2,961	35,531	-	-
Annuities	1,618,971			
Inventories	7,512,505	7,111,846	6,010,883	255,608
Prepaid Expenses and Other Assets	33,775	157,257	24,139	44
Total Current Assets	25,787,652	21,498,329	9,947,610	1,601,488
Plant and Equipment				
Land, Buildings, Structures and Equipment	14,354,022	13,605,238	1,589,171	10,203,604
Construction in Progress	-	-	-	-
Less Allowance for Depreciation and Bond Amortization	4,495,433	4,901,751	914,126	2,367,862
Net Plant and Equipment	9,858,589	8,703,487	675,045	7,835,742
	$35,646,241	$30,201,815	$10,622,655	$ 9,437,230
LIABILITIES, WORKING CAPITAL ADVANCES AND FUND EQUITY				
Current Liabilities				
Accounts Payable	$ 7,538,750	$ 6,123,800	$ 6,392,700	$ 67,510
Due to Other Funds	214,989	289,871	205,894	-
Other Current and Accrued Liabilities	1,212,071	877,824	554	-
Total Current Liabilities	8,965,810	7,291,495	6,599,148	67,510
Bonds Payable	-	-		
Reserve Annuities	1,618,971			
Working Capital Advance from General Fund	3,985,000	3,985,000	3,500,000	-
Fund Equity				
Contributions from Other Funds	36,408,642	34,242,389	523,507	27,946,350
Retained Earnings (Deficit)	(15,332,182)	(15,317,069)	-	(18,576,630)
Total Equity	21,076,460	18,925,320	523,507	9,369,720
	$25,646,241	$30,201,815	$10,622,655	$ 9,437,230

Other Loan Funds	Prison Industries	Seed Potato Board	Maine State Lottery	State Forest Nursery	Potato Marketing Board
$ 804,042	$ 57,248	$ 123,166	$ 1,795,059	$ 193,072	$4,366,959
-	1,000	7,000	231,600	1,000	-
1,117,512	16,617	-	325,141	7,442	2,314,154
-	2,908	53	-	-	-
			1,618,971		
-	395,427	850,588	-	-	-
-	247	-	9,271	77	-
1,921,554	473,447	980,807	3,980,042	201,591	6,681,113
-	478,069	1,407,660	227,704	447,814	-
-	-	-	-	-	-
-	387,147	578,162	92,550	155,587	-
0	90,922	829,498	135,154	292,227	0
$ 1,921,554	$ 564,369	$ 1,810,305	$ 4,115,196	$ 493,818	$6,681,113
$ -	$ 27,767	$ 37,217	$ 994,997	$ 329	$ 18,229
-	247	-	8,771	77	-
-	-	78	1,157,457	53,981	-
0	28,014	37,295	2,161,225	54,387	18,229
			1,618,971		
-	-	-	335,000	150,000	-
826,147	203,550	1,544,816	-	364,273	5,000,000
1,095,407	332,805	228,194	-	(74,842)	1,662,883
1,921,554	536,355	1,773,010	0	289,431	6,662,883
$ 1,921,554	$ 564,369	$ 1,810,305	$ 4,115,196	$ 493,818	$6,681,113

EXHIBIT F-2

ENTERPRISE FUNDS

Department of Transportation
BALANCE SHEETS

	Total June 30, 1988	Island Ferry Service	Augusta State Airport	Marine Ports
ASSETS				
Current Assets				
Equity in Treasurer's Demand Cash and/or Investments	$ 1,325,928	$ 786,729	$ 12,035	$ 527,163
Cash - Other	1,650	1,650	-	-
Accounts and Notes Receivable - Less Allowance for Possible Losses	18,258	11,143	7,115	-
Inventories	255,608	255,608	-	-
Prepaid Expenses and Other Current Assets	44	44	-	-
Total Current Assets	1,601,487	1,055,174	19,150	527,163
Plant and Equipment				
Land, Buildings and Improvements				
Machinery and Equipment	10,203,604	3,717,012	1,326,935	5,159,656
Less Allowance for Depreciation	2,367,862	1,586,126	264,235	517,500
Net Plant and Equipment	7,835,742	2,130,886	1,062,700	4,642,156
	$ 9,437,229	$ 3,186,060	$ 1,081,850	$5,169,319
LIABILITIES, WORKING CAPITAL ADVANCES AND FUND EQUITY				
Current Liabilities				
Accounts Payable	$ 67,509	$ 58,801	$ 1,604	$ 7,104
Other Current Liabilities	-	-	-	-
	67,509	58,801	1,604	7,104
Fund Equity				
Contributed from Other Funds	27,946,350	19,950,576	2,405,514	5,590,259
Retained Earnings	(18,576,630)	(16,823,318)	(1,325,268)	(428,044)
	9,369,720	3,127,258	1,080,246	5,162,215
	$ 9,437,229	$ 3,186,060	$ 1,081,850	$5,169,319

EXHIBIT F-3

ENTERPRISE FUNDS

STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 1988

	Total	Bureau of Alcoholic Beverages	Department of Transportation
REVENUES			
Sales	$157,708,046	$ 73,844,846	$ -
Less: Cost of Goods Sold	95,799,053	45,320,017	-
	61,908,993	28,524,829	0
Malt Beverages and Wine Taxes	7,573,081	7,573,082	-
License Fees	1,881,160	1,881,160	-
Other Fees and Service Charges	4,709,085	3,457,634	1,048,332
Other Revenues	229,428	134,538	94,890
	76,301,747	41,571,243	1,143,222
EXPENSES			
Personal Services and Fringe Benefits	8,220,107	5,438,594	1,627,712
Professional Fees and Services	1,306,153	296,401	251,031
Transportation	454,626	51,774	329,091
Rents and Repairs	255,230	12,311	82,611
Utilities and Fuel	1,026,722	786,002	88,215
Depreciation	573,875	332,780	137,483
Tri-State Megabucks	3,666,460	97,393	-
Other General Operating Expenses	1,945,161	777,099	360,584
	17,448,334	7,792,354	2,876,727
NET OPERATING INCOME	58,853,413	33,778,889	(1,733,505)
NON-OPERATING REVENUES AND EXPENSES			
Interest Income	537,101	-	-
Other	1,639,490	-	747,516
	2,176,591	0	747,516
NET INCOME (LOSS)	61,030,004	33,778,889	(985,989)
RETAINED EARNING (DEFICIT) JULY 1, 1987	(15,317,016)	-	(17,590,641)
TRANSFERRED TO OTHER FUNDS	(61,045,170)	(33,778,889)	-
RETAINED EARNINGS (DEFICIT) JUNE 30, 1987	$ (15,332,182)	$ 0	$ (18,576,630)

Other Loan Funds	Prison Industries	Seed Potato Board	Maine State Lottery	State Forest Nursery	Potato Marketing Fund
$ -	$ 845,163	$ 415,972	$82,462,596	$ 139,468	$ -
-	460,800	-	50,017,516	720	-
0	384,363	415,972	32,445,080	138,748	0
-	-	-	-	-	-
-	-	-	-	-	-
-	-	166,731	-	26,856	9,532
-	-	-	-	-	-
0	384,363	582,703	32,445,080	165,604	9,532
-	126,175	49,955	924,906	52,765	-
-	48,421	16,110	648,561	458	45,170
-	1,372	32,864	38,797	193	535
-	45,108	41,656	70,088	222	3,236
-	24,265	32,589	92,146	1,585	1,920
-	14,470	46,401	39,959	2,783	-
-	-	-	3,569,066	-	-
-	112,113	51,482	620,638	7,019	16,225
0	371,924	271,057	6,004,161	65,025	67,086
0	12,439	311,646	26,440,919	100,579	(57,554)
-	-	-	85,089	386	451,626
57,019	9,047	56,253	740,274	29,381	-
57,019	9,047	56,253	825,363	29,767	451,626
57,019	21,486	367,899	27,266,282	130,346	394,072
1,038,388	311,319	(139,705)	-	(205,188)	1,268,811
-	-	-	(27,266,282)	-	-
$1,095,407	$ 332,805	$ 228,194	$ 0	$ (74,842)	$1,662,883

EXHIBIT F-4

ENTERPRISE FUNDS

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 1988

	Total	Bureau of Alcoholic Beverages	Department of Transportation
SOURCE OF FUNDS			
Net Income (Loss)	$ 61,030,004	$ 33,778,888	$ (985,989)
Add: Depreciation	573,875	332,780	137,483
From Operations	61,603,879	34,111,668	(848,506)
Transferred from Other Funds	2,173,328	-	1,718,328
	63,777,207	34,111,668	869,822
APPLICATION OF FUNDS			
Purchase of Plant and Equipment	1,728,977	320,278	1,247,887
Transferred to Other Funds	61,052,245	33,778,889	-
	62,781,222	34,099,167	1,247,887
Increase (Decrease) in Working Capital	$ 995,985	$ 12,501	$ (378,065)
ANALYSIS OF CHANGES IN WORKING CAPITAL			
Increase (Decrease) in Current Assets			
Cash	$ 1,100,212	$ 1,536,630	$ (386,354)
Accounts Receivable	1,325,530	(25,697)	615
Inventories	400,668	(220,911)	35,430
Other Assets	(156,155)	(111,619)	21
	2,670,245	1,178,403	(350,288)
Decrease (Increase) in Current Liabilities			
Accounts and Mortgages Payable	(1,414,948)	(1,242,236)	(27,780)
Other Current Liabilities	(259,312)	76,334	3
	(1,674,260)	(1,165,902)	(27,777)
Increase (Decrease) in Working Capital	$ 995,985	$ 12,501	$ (378,065)

Other Loan Funds	Prison Industries	Seed Potato Board	Maine State Lottery	State Forest Nursery	Potato Marketing Fund
$ 57,019	$ 21,486	$ 367,899	$27,266,281	$ 130,346	$ 394,073
-	14,470	46,401	39,959	2,783	-
57,019	35,956	414,300	27,306,240	133,129	394,073
160,000	-	295,000	-	-	-
217,019	35,956	709,300	27,306,240	133,129	394,073
-	20,167	80,593	61,201	(1,150)	-
6,375	-	-	27,266,281	700	-
6,375	20,167	80,593	27,327,482	(450)	0
$ 210,644	$ 15,789	$ 628,707	$ (21,242)	$ 133,579	$ 394,073
$ 51,894	$ 20,900	$ 53,879	$ - 146,535	$ 163,812	$ (487,085)
158,749	7,824	(3,141)	325,141	(31,216)	893,254
-	24,984	561,155	-	-	-
-	(35,197)	(129)	(9,238)	7	-
210,644	18,511	611,764	462,438	132,603	406,169
-	(7,280)	16,892	(143,949)	1,500	(12,096)
-	4,558	51	(339,731)	(524)	-
0	(2,722)	16,943	(483,680)	976	(12,096)
$ 210,644	$ 15,789	$ 628,707	$ (21,242)	$ 133,579	$ 394,073

Joseph Devenney

INTERNAL SERVICE FUNDS

Internal Service Funds provide centralized services for other funds. Revenues are derived from user agencies on a cost reimbursement basis. Working capital advances have been provided from the Highway and General Funds.

EXHIBIT G-1

INTERNAL SERVICE FUNDS

COMPARATIVE BALANCE SHEETS

	June 30, 1988	1987
ASSETS		
Current Assets		
Equity in Treasurer's Demand Cash and/or Investments	$ 9,663,703	$11,256,747
Cash - Other	4,700	700
Accounts and Notes Receivable - Less Allowance for Possible Losses	90,764	76,938
Due from Other Funds	5,314,341	3,842,832
Inventories	5,752,810	6,243,040
Prepaid Expenses and Other Current Assets	75,356	44,766
Total Current Assets	20,901,673	21,465,023
Plant and Equipment		
Land, Buildings and Improvements	3,761,473	3,692,102
Machinery and Equipment	47,416,165	43,158,913
	51,177,638	46,851,015
Less Allowance for Depreciation	33,527,178	29,985,399
Net Plant and Equipment	17,650,460	16,865,616
	$38,552,133	$38,330,639
LIABILITIES, WORKING CAPITAL ADVANCES AND FUND EQUITY		
Current Liabilities		
Accounts Payable	$ 2,395,438	$ 3,108,898
Accrued Compensation - Leave	329,589	267,395
Due to Other Funds	324,402	316,628
Lease Purchase Payable	3,669,608	3,229,871
Other Current Liabilities	220,661	-
	6,939,698	6,922,792
Working Capital Advances		
From General Fund	201,000	211,000
From Highway Fund	13,182,115	13,182,115
	13,383,115	13,393,115
Fund Equity		
Reserve for Working Capital	573,952	573,952
Contributed by Other Funds of Governmental Units	4,912,035	4,818,965
Retained Earnings	12,743,333	12,621,815
	18,229,320	18,014,732
	$38,552,133	$38,330,639

Highway Garage	Central Computer Services	Insurance Reserve Fund	Postal, Printing and Supply Fund	Other Internal Funds
$ 1,840,125	$ 283,581	$6,091,257	$ 347,857	$1,100,884
4,000	-	-	500	200
11,000	17	827	29,694	49,225
367,414	1,690,269	121,870	1,455,158	1,679,630
5,061,756	61,461	-	580,791	28,801
4,780	2,873	140	66,368	1,195
7,289,075	2,058,201	6,214,094	2,480,368	2,859,935
3,761,473	-	-	-	-
35,538,470	9,300,621	304	563,746	2,013,024
39,299,943	9,300,621	304	563,746	2,013,024
26,127,243	5,573,949	304	326,116	1,499,566
13,172,700	3,726,672	0	237,630	513,458
$20,461,775	$5,784,873	$6,214,094	$ 2,717,998	$3,373,393
$ 301,892	$ 612,256	$ 5,558	$ 736,299	$ 739,432
-	213,400	-	68,050	48,139
4,780	1,632	-	71,540	246,450
-	3,448,565	-	-	221,044
-	-	-	220,661	-
306,672	4,275,853	5,558	1,096,550	1,255,065
-	-	-	111,000	90,000
13,182,115	-	-	-	-
13,182,115	0	0	111,000	90,000
-	573,952	-	-	-
2,410,503	16,898	1,224,425	68,692	1,191,517
4,562,485	918,170	4,984,111	1,441,755	836,811
6,972,988	1,509,020	6,208,536	1,510,447	2,028,328
$20,461,775	$5,784,873	$6,214,094	$ 2,717,998	$3,373,393

EXHIBIT G-2

INTERNAL SERVICE FUNDS

STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS FOR THE YEAR ENDED JUNE 30, 1988

	Total	Highway Garage
REVENUES		
Billings to Departments	$43,648,373	$14,444,222
Less: Cost of Goods Billed	19,976,519	5,284,812
	23,671,854	9,159,410
EXPENSES		
Personal Services and Fringe Benefits	11,817,784	6,482,737
Professional Fees and Services	659,124	95,141
Transportation	181,207	30,909
Rents and Repairs	2,839,975	947,356
Utilities and Fuel	620,252	462,561
Depreciation	5,274,332	2,336,921
Other General Operating Expenses	3,963,979	538,527
Insurance Claims Paid	271,220	-
	25,627,873	10,894,152
NET OPERATING INCOME	(1,956,019)	(1,734,742)
NON-OPERATING REVENUES AND EXPENSES		
Adjustment of Prior Year Transactions	862,073	-
Interest Income	-	-
Gain or (Loss) on Sale of Equipment	(54,702)	(41,132)
Other	1,600,293	376,566
Interest Expense	(328,153)	-
	2,079,511	335,434
NET INCOME (LOSS)	123,492	(1,399,308)
RETAINED EARNING (DEFICIT) JULY 1, 1987	12,619,841	5,961,793
RETAINED EARNINGS (DEFICIT) JUNE 30, 1988	$12,743,333	$ 4,562,485

Central Computer Services	Insurance Reserve Funds	Postal, Printing and Supply Fund	Other Internal Funds
$8,729,164	$1,839,874	$ 10,509,301	$8,125,813
478,796	500,086	7,754,279	5,958,547
8,250,368	1,339,788	2,755,022	2,167,266
2,995,142	13,002	1,609,318	717,585
255,997	25,554	42,344	240,088
19,111	351	30,346	100,489
1,233,375	3,354	542,421	113,468
83,061	-	42,665	31,965
2,324,343	305	73,606	539,158
1,637,320	1,107,141	393,645	287,346
-	271,220	-	-
8,548,349	1,420,927	2,734,345	2,030,099
(297,981)	(1,139)	20,677	137,167
889,476	(37)	18,081	(45,446)
-	-	-	-
(7,394)	1,660	(7,835)	-
47,421	451,432	236,470	488,402
(319,585)	-	-	(8,568)
609,918	453,055	246,716	434,388
311,937	371,916	267,393	571,555
606,234	4,612,196	1,174,363	265,256
$ 918,171	$4,984,112	$ 1,441,756	$ 836,811

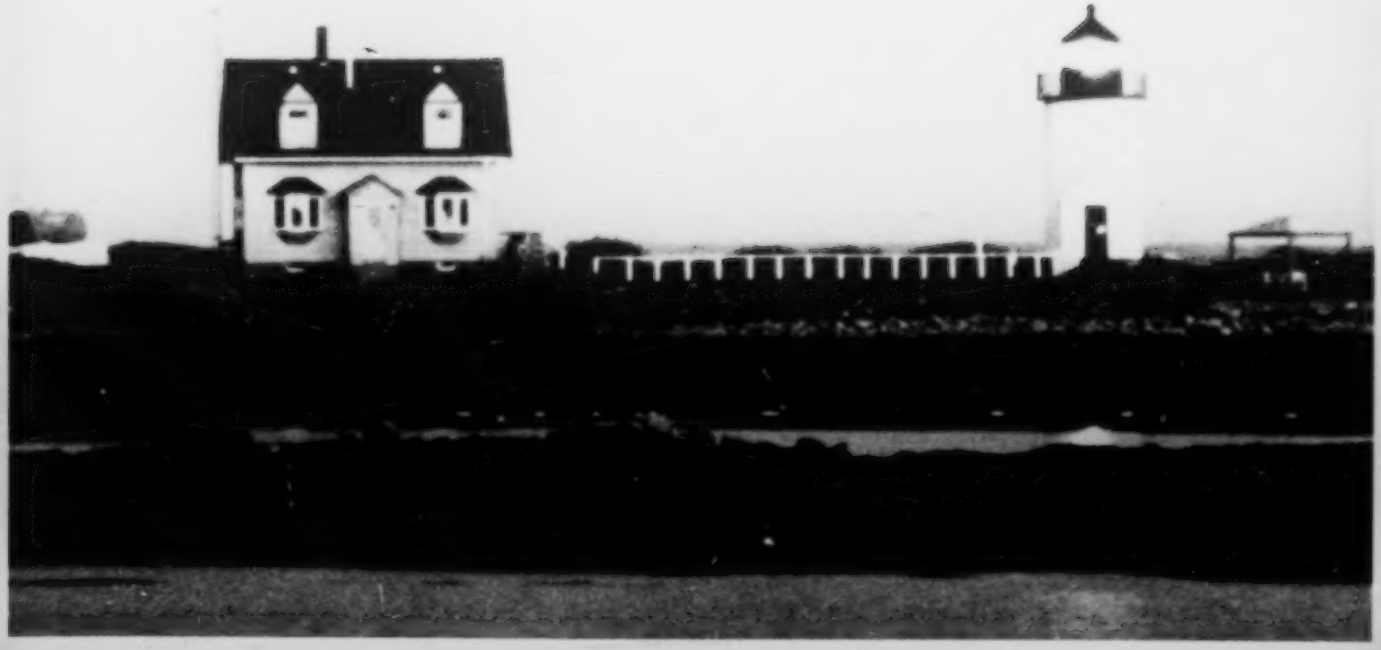
EXHIBIT G-3

INTERNAL SERVICE FUNDS

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 1988

	Total	Highway Garage
SOURCE OF FUNDS		
Net Income	$ 123,492	$(1,399,308)
Add: Depreciation	5,274,332	2,336,920
Transfers from Other Funds	991	-
	5,398,815	937,612
APPLICATION OF FUNDS		
Purchase of Plant and Equipment	6,059,175	2,306,067
	6,059,175	2,306,067
Increase (Decrease) in Working Capital	$ (660,360)	$(1,368,455)
ANALYSIS OF CHANGES IN WORKING CAPITAL		
Increase (Decrease) in Current Assets		
Cash	$(1,589,043)	$ (905,023)
Accounts Receivable	1,485,334	(9,375)
Inventories	(490,231)	(511,642)
Other Assets	30,590	3,501
	(563,350)	(1,422,539)
Decrease (Increase) in Current Liabilities		
Accounts Payable	203,756	144,189
Other Liabilities	(300,766)	(90,105)
	(97,010)	54,084
Increase (Decrease) in Working Capital	$ (660,360)	$(1,368,455)

Central Computer Services	Insurance Reserve Funds	Postal, Printing and Supply Fund	Other Internal Funds
$ 311,936	$ 371,916	$ 267,392	$ 571,555
2,324,343	304	73,606	539,158
-	-	-	991
2,636,279	372,220	340,998	1,111,704
3,325,407	221	132,329	295,150
3,325,407	221	132,329	295,150
$ (689,128)	$ 371,999	$ 208,669	$ 816,554
$(1,109,689)	$ 230,309	$ 184,093	$ 10,266
867,090	118,220	241,355	268,043
22,623	-	25,530	(26,741)
(2,693)	140	29,113	529
(221,669)	348,669	480,091	252,097
(467,459)	23,330	(50,761)	554,457
-	-	(220,661)	10,000
(467,459)	23,330	(271,422)	564,457
$ (689,128)	$ 371,999	$ 208,669	$ 816,554



TRUST AND AGENCY FUNDS

The Trust and Agency Funds are a grouping of various funds which are administered by the State as trustee or as an agent for the general public. Trust and Agency Funds are classified as either expendable or non-expendable funds.

Expendable funds include the accounts of the Maine State Retirement System, the State Employees Group Life Insurance Fund, interest and other revenue from non-expendable trusts, and various private trusts. In accordance with the research report, Preferred Accounting Practices for State Governments published by the Council of State Governments, the Employment Security Trust Fund is reported as an expendable trust. Prior to 1983 it was reported as a special revenue fund.

Non-expendable trust funds consist of endowments for maintenance and preservation of public lands and other donor restrictions.

EXHIBIT H-1

TRUST AND AGENCY FUNDS

COMPARATIVE BALANCE SHEET

	Total	
	June 30,	
ASSETS	**1988**	**1987**
Equity in Treasurer's Demand Cash and/or Investments	$ 81,830,482	$ 62,665,506
Cash - Other	73,847,155	(22,190,044)
Deposits with United States Treasury	153,287,878	113,221,169
Accounts Receivable - Less Allowance for Possible Losses	1,203,446	521,646
Investments (A)	1,258,006,307	1,226,507,283
Other Assets	884,480	739,711
	$1,569,059,748	$1,381,465,271
LIABILITIES, RESERVES AND FUND BALANCES		
Liabilities		
Accounts Payable	$ 9,253,838	$ 13,245,454
Due to Other Funds	13,994	129,624
Other Current Liabilities	42,927,948	36,927,760
	52,195,780	50,302,838
Fund Balance		
Retirement System Reserves	1,293,293,300	1,136,693,976
Future Losses Reserve	3,201,263	1,869,793
Future Premiums Reserve	10,574,625	12,247,395
Insurance Premium Reserve	5,184,310	
Contributions from General Fund	10,000	10,000
Unreserved	204,600,470	180,341,269
	1,516,863,968	1,331,162,433
	$1,569,059,748	$1,381,465,271

Total Expendable Funds	Non-Expendable			
	Total Non-Expendable Funds	Land Reserve Trust Funds	Baxter State Park Trust Funds	Other Trust Funds
$ 81,782,661	$ 47,820	$ 47,820	$ -	$ 545,241
72,134,459	1,712,696	655,956	511,499	-
153,287,878		-	-	-
1,203,447	-	-	-	-
1,250,175,393	7,830,914	3,002,629	2,331,821	2,496,465
884,480	-	-	-	-
$1,559,468,318	$9,591,430	$3,706,405	$2,843,320	$3,041,706
$ 9,253,838	$ -	$ -	$ -	$ -
13,994	-	-	-	-
42,927,948		-	-	-
52,195,780	0	0	0	0
1,293,293,300		-	-	-
3,201,263		-	-	-
10,574,624		-	-	-
5,184,310				
10,000		-	-	-
195,009,040	9,591,430	3,706,405	2,843,320	3,041,706
1,507,272,537	9,591,430	3,706,405	2,843,320	3,041,706
$1,559,468,318	$9,591,430	$3,706,405	$2,843,320	$3,041,706

EXHIBIT H-2

TRUST AND AGENCY FUNDS

BALANCE SHEET OF EXPENDABLE FUNDS

ASSETS	Total June 30, 1988	Maine State Retirement System
Equity in Treasurer's Demand Cash and/or Investments	$ 81,782,661	$ 53,628,974
Cash - Other	72,134,459	65,354,711
Deposits with United States Treasury	153,287,878	-
Accounts Receivable - Less Allowance for Possible Losses	1,203,447	899,727
Investments	1,250,175,393	1,177,714,658
Other Assets	884,480	388,071
	$1,559,468,318	$1,297,986,142
LIABILITIES, RESERVES AND FUND BALANCE		
Liabilities		
Accounts Payable	$ 9,253,838	$ 536,861
Due to Other Funds	13,994	13,859
Other Current Liabilities	42,927,948	4,142,122
	52,195,780	4,692,842
Reserves and Fund Balance		
Members Contributions Reserve	553,109,460	553,109,460
Allowance Fund Balance Reserve	707,670,449	707,670,449
Future Losses Reserve	3,201,263	-
Future Premium Reserve	10,574,625	-
Insurance Premium Reserve	5,184,310	
Teachers Savings Reserve	49,744	49,744
Survivors Benefit Reserve	32,463,647	32,463,647
Contributions from General Fund	10,000	-
Unreserved	195,009,040	-
	1,507,272,538	1,293,293,300
	$1,559,468,318	$1,297,986,142

Public Trusts				Agency Funds	
Group Life Insurance Fund	Employment Security Trust	Revenue on Non-Expendable Trusts	Private Trust Funds	Payroll Tax and Deductions Fund	Other
$ -	$ 7,893	$537,184	$ 6,513,699	$ 5,322,280	$15,772,631
1,434,091	-	50,897	5,294,760	-	-
-	153,287,878	-	-	-	-
-	-	-	-	-	-
-	300,000	3,717	-	4	-
17,990,154	-	-	15,849,170	38,621,411	-
-	-	-	496,408	-	-
$19,424,245	$153,595,771	$591,798	$28,154,037	$43,943,695	$15,772,631
$ 299,632	$ 104,367	$ 26,864	$ 25,961	$ 5,312,284	$ 2,947,870
-	-	-	135	-	-
164,416	-	-	-	38,621,411	-
464,048	104,367	26,864	26,096	43,933,695	2,947,870
-	-	-	-	-	-
-	-	-	-	-	-
3,201,263	-	-	-	-	-
10,574,624	-	-	-	-	-
5,184,310					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,000	-
-	153,491,404	564,934	28,127,941	-	12,824,761
18,960,197	153,491,404	564,934	28,127,941	10,000	12,824,761
$19,424,245	$153,595,771	$591,798	$28,154,037	$43,943,695	$15,772,631

EXHIBIT H-3

TRUST AND AGENCY FUNDS

ANALYSIS OF CHANGES IN TRUST AND AGENCY FUNDS BALANCES

	Total
Balance July 1, 1987	$1,331,162,433
Adjustment of Prior Year Transactions	4,707,574
	1,335,870,007
Additions:	
Interest Earned (Net of Amortization of Premiums)	59,759,622
Profit (Loss) on Sales of Securities	22,855,798
Individual Contributions for Pensions, plus Accrued Interest	185,203,786
Receipts from University of Maine and Maine Maritime Academy	124,804,265
Deposits by Federal Government, Cities, Towns and Individuals	159,263,975
Sales of Timber, Gravel or Grass, Rentals, etc.	28,301
Abandoned Property	3,129,250
Employer Contributions:	
From General Fund	128,465,100
From Highway Fund	11,177,307
From Special Revenue Funds	14,878,522
From Other Funds	4,237,395
	713,803,321
Deductions:	
Administration Expenses	3,306,460
Distributions to Cities, Towns	
Counties, Districts and Individuals	-
Refunds of Trust Deposits. Other Disbursements and Transfers	318,728,596
Interest Allowed on Individual Contributions	37,415,490
Health Insurance Premiums - Retired State Employees	3,262,837
Group Life Insurance Premiums	6,964,017
Pensions and Survivor Benefit Payments:	
State Employees	50,292,993
Teachers	59,713,602
Employees of Participating Districts	35,558,490
Judicial	131,744
Refunds on Individual Contributions plus Interest	9,442,884
Transferred to Coastal Protection Fund	2,900,000
Abandoned Property Transferred to General Fund	1,740,679
Distribution of Income from Non-Expendable Trusts	1,489,215
Additions to Reserves and Other Charges and Credits	1,862,354
	532,809,361
Balance June 30, 1988	$1,516,863,967

Total Expendable Funds	Non-Expendable			
	Total Non-Expendable Funds	Land Reserve Trust Funds	Baxter State Park Trust Funds	Other Trust Funds
$1,321,876,100	$9,286,333	$3,596,837	$2,726,060	$2,963,436
4,707,574	-	-	-	-
1,326,583,674	9,286,333	3,596,837	2,726,060	2,963,436
59,759,622	-	-	-	-
22,579,002	276,796	81,267	117,260	78,270
185,203,786	-	-	-	-
124,804,265	-	-	-	-
159,263,975	-	-	-	-
-	28,301	28,301	-	-
3,129,250	-	-	-	-
128,465,100	-	-	-	-
11,177,307	-	-	-	-
14,878,522	-	-	-	-
4,237,395	-	-	-	-
713,498,224	305,097	109,568	117,260	78,270
3,306,460	-	-	-	-
-	-	-	-	-
318,728,596	-	-	-	-
37,415,490	-	-	-	-
3,262,837	-	-	-	-
6,964,017	-	-	-	-
50,292,993	-	-	-	-
59,713,602	-	-	-	-
35,558,490	-	-	-	-
131,744	-	-	-	-
9,442,884	-	-	-	-
2,900,000	-	-	-	-
1,740,679	-	-	-	-
1,489,215	-	-	-	-
1,862,354	-	-	-	-
532,809,361	0	0	0	0
$1,507,272,537	$9,591,430	$3,706,405	$2,843,320	$3,041,706

EXHIBIT H-4

TRUST AND AGENCY FUNDS

ANALYSIS OF CHANGES IN EXPENDABLE TRUST AND AGENCY FUNDS BALANCES

	Total June 30, 1987	Maine State Retirement System
Balance July 1, 1987	$1,321,876,100	$1,136,693,976
Adjustment of Prior Year Transactions	4,707,574	(107,627)
	1,326,583,674	1,136,586,349
Additions:		
Interest Earned (Net of Amortization of Premiums)	59,759,622	55,930,625
Profit (Loss) on Sales of Securities	22,579,002	21,654,785
Individual Contributions for Pensions, plus Accrued Interest	185,203,786	93,917,684
Receipts from University of Maine, Maine Maritime Academy and Maine Veterans Home	124,804,265	-
Deposits by Federal Government, Cities, Towns and Individuals	159,263,975	28,450,173
Abandoned Property	3,129,250	-
Employer Contributions:		
From General Fund	128,465,100	127,918,511
From Highway Fund	11,177,307	10,981,757
From Special Revenue Funds	14,878,522	14,664,104
From Other Funds	4,237,395	3,509,114
	713,498,224	357,026,753
Deductions:		
Administration Expenses	3,306,460	3,225,979
Refunds of Trust Deposits, Other Disbursements and Transfers	318,728,596	-
Interest Allowed on Individual Contributions	37,415,490	37,415,490
Health Insurance Premiums - Retired State Employees	3,262,837	3,262,837
Group Life Insurance Premiums	6,964,017	-
Pensions and Survivor Benefit Payments:		
State Employees	50,292,993	50,292,993
Teachers	59,713,602	59,713,602
Employees of Participating Districts	35,558,490	35,558,490
Judicial	131,744	131,744
Refunds on Individual Contributions plus Interest	9,442,884	9,442,884
Transferred to Coastal Protection Fund	2,900,000	-
Transferred to General Fund	1,740,679	-
Distribution of Income from Non-Expendable Trusts	1,489,215	-
Additions to Reserves and Other Charges and Credits	1,862,354	1,275,783
	532,809,361	200,319,802
Balance June 30, 1988	$1,507,272,537	$1,293,293,300

Public Trusts			Agency Funds		
Group Life Insurance Fund	Employment Security Trust	Revenue on Non-Expendable Trusts	Private Trust Funds	Payroll Tax and Deductions Fund	Other
$14,117,188	$114,027,445	$ 599,345	$40,297,685	$ 10,000	$ 16,130,460
4,955,835	(137,523)	-	(3,110)	-	-
19,073,023	113,889,922	599,345	40,294,575	10,000	16,130,460
1,010,831	-	754,804	541,991	140,354	1,381,017
924,217	-	-	-	-	-
-	91,286,102	-	-	-	-
-	-	-	-	-	124,804,265
3,231,305	-	700,000	5,841,045	118,378,658	2,662,794
-	-	-	3,129,250	-	-
546,589	-	-	-	-	-
195,550	-	-	-	-	-
214,418	-	-	-	-	-
728,280	-	-	-	-	-
6,851,190	91,286,102	1,454,804	9,512,286	118,519,012	128,848,076
-	-	-	80,480	-	-
-	51,684,620	-	16,957,761	117,932,440	132,153,775
-	-	-	-	-	-
-	-	-	-	-	-
6,964,017	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,900,000	-	-
-	-	-	1,740,679	-	-
-	-	1,489,215	-	-	-
	-	-	-	586,572	-
6,964,017	51,684,620	1,489,215	21,678,920	118,519,012	132,153,775
$18,960,196	$153,491,404	$ 564,934	$28,127,941	$ 10,000	$ 12,824,761

GENERAL LONG TERM DEBT

The General Long Term Debt account group is utilized to account for the long term liabilities which are intended to be repaid by appropriations, income from short term investments and student fees.

The general long term debt outstanding at June 30, 1988 totaled $308,275,000.

EXHIBIT J-1

GENERAL LONG TERM DEBT

COMPARATIVE BALANCE SHEET

	Total	
	June 30,	
	1988	1987
ASSETS AND AMOUNTS TO BE PROVIDED FOR THE RETIREMENT OF GENERAL BONDS		
Amount to be Provided from Future Revenue for Retirement of Bonds	$308,275,000	$296,575,000
	$308,275,000	$296,575,000
LIABILITIES AND RESERVES		
Bonds Payable	$308,275,000	$296,575,000
	$308,275,000	$296,575,000

Source of Future Revenue				
General Fund	Highway Fund	University of Maine	Student Housing and Dining Facility	Maine Veteran's Home
$201,160,000	$88,170,000	$9,420,000	$7,905,000	$1,620,000
$201,160,000	$88,170,000	$9,420,000	$7,905,000	$1,620,000
$201,160,000	$88,170,000	$9,420,000	$7,905,000	$1,620,000
$201,160,000	$88,170,000	$9,420,000	$7,905,000	$1,620,000

EXHIBIT J-2

GENERAL LONG TERM DEBT

(In thousands of dollars)

Description of Loan	Date of Issue	Interest Rate %
GENERAL BONDED DEBT		
GENERAL FUND		
General Purposes	March 15, 1968	4.40
General Purposes	July 1, 1968	4.00
General Purposes	March 1, 1969	4.70
General Purposes	October 15, 1969	5.70
General Purposes	February 15, 1970	6.30
General Purposes	April 1, 1970	5.70
		4.00
General Purposes	November 15, 1970	6.00
School Building Construction	March 15, 1971	4.50
General Purposes	October 15,1971	4.50
		4.00
General Purposes	April 15, 1972	4.80
		3.25
General Purposes	November 15, 1972	4.75
		4.00
General Purposes	April 15, 1973	4.90
		4.00
General Purposes	November 15, 1973	4.75
		3.00
General Purposes	May 15, 1974	5.70
		4.00
General Purposes	November 1, 1974	5.50
		5.75
General Purposes	May 15, 1975	6.40
		5.00
General Purposes	March 15, 1978	4.60
General Purposes	November 15, 1978	5.25
		5.30
General Purposes	April 1, 1980	8.00
General Purposes	May 15, 1981	10.00
		9.00
General Purposes	May 15, 1981	10.00
		9.00

Amount of Issue	Bonded Debt Outstanding July 1, 1987	New Bonds Issued	Matured	Bonded Debt Outstanding June 30, 1988
$ 1,000	$ 250	$ -	$ 250	$ -
2,750	1,100	-	550	550
5,630	1,430	-	700	730
2,140	1,305	-	435	870
5,455	2,740	-	905	1,835
14,110	830	-	830	-
1,570	1,570	-	-	1,570
11,680	2,905	-	730	2,175
1,750	1,000	-	250	750
2,760	2,070	-	690	1,380
1,330	1,330	-	-	1,330
5,850	1,950	-	650	1,300
1,300	1,300	-	-	1,300
4,125	4,125	-	825	3,300
805	805	-	-	805
11,825	4,300	-	1,075	3,225
2,120	2,120	-	-	2,120
4,400	1,650	-	275	1,375
230	230	-	-	230
3,080	2,200	-	440	1,760
820	820	-	-	820
2,400	1,440	-	480	960
2,335	2,335	-	-	2,335
6,880	4,300	-	860	3,440
2,530	2,530	-	-	2,530
12,420	1,380	-	1,380	-
10,430	1,490	-	1,490	-
1,505	1,505	-	-	1,505
560	520	-	40	480
5,365	5,365	-	965	4,400
595	595	-	-	595
3,135	3,135	-	285	2,850
855	855	-	-	855

EXHIBIT J-2

GENERAL LONG TERM DEBT

(In thousands of dollars)

Description of Loan	Date of Issue	Interest Rate %
GENERAL BONDED DEBT (Continued)		
GENERAL FUND (Continued)		
General Purposes	March 15, 1982	11.25
		10.25
General Purposes	December 15, 1982	9.50
		8.50
		9.00
		7.50
General Purposes	March 1, 1983	8.50
		8.20
		8.50
		6.50
General Purposes	May 1, 1984	10.00
		9.875
		9.00
		8.00
General Purposes	January 15, 1985	8.75
		7.60
		7.80
		7.00
General Purposes	January 15, 1986	7.80
		6.50
		6.70
		6.75
General Purposes	November 15, 1986	6.75
		7.00
		6.60
		5.00
General Purposes	December 15, 1987	8.00
		6.00
		6.20
		6.50
HIGHWAY FUND		
Bangor-Brewer Bridge	August 1, 1952	1.75
Highways and Bridges	July 1, 1967	3.75
Highways and Bridges	October 15, 1968	4.00
Androscoggin River Bridge	July 1, 1970	6.50
		5.00
Highways and Bridges	July 1, 1970	6.50
		5.00

Amount of Issue	Bonded Debt Outstanding July 1, 1987	New Bonds Issued	Matured	Bonded Debt Outstanding June 30, 1988
$ 7,000	$ 2,800	$ -	$ 700	$ 2,100
680	680	-	-	680
15,660	5,820	-	2,460	3,360
2,320	2,320	-	-	2,320
1,480	1,480	-	-	1,480
4,385	4,385	-	-	4,385
12,000	8,000	-	1,000	7,000
2,000	2,000	-	-	2,000
3,000	3,000	-	-	3,000
3,000	3,000	-	-	3,000
4,790	2,345	-	815	1,530
2,860	2,860	-	-	2,860
2,660	2,660	-	-	2,660
3,945	3,945	-	-	3,945
9,775	5,865	-	1,955	3,910
1,655	1,655	-	-	1,655
1,655	1,655	-	-	1,655
4,960	4,960	-	-	4,960
6,690	3,345	-	3,345	-
13,380	13,380	-	-	13,380
6,690	6,690	-	-	6,690
6,675	6,675	-	-	6,675
3,720	3,720		3,720	-
3,720	3,720		-	3,720
3,720	3,720		-	3,720
21,830	21,830		-	21,830
12,800		12,800		12,800
21,900		21,900		21,900
5,400		5,400		5,400
5,170		5,170		5,170
329,260	183,990	45,270	28,100	201,160
1,500	900	-	50	850
750	375	-	375	-
960	960	-	480	480
2,125	125	-	125	-
375	375	-	-	375
10,880	640	-	640	-
1,920	1,920	-	-	1,920

EXHIBIT J-2

GENERAL LONG TERM DEBT

(In thousands of dollars)

Description of Loan	Date of Issue	Interest Rate %
HIGHWAY FUND (Continued)		
Androscoggin River Bridge	October 15, 1971	4.50
		4.00
Highways and Bridges	October 15, 1971	4.50
		4.00
Highways and Bridges	August 1, 1972	5.00
		3.00
Highways and Bridges	November 1, 1974	5.50
		5.75
Highways and Bridges	April 1, 1980	8.00
Highways and Bridges	May 15, 1981	10.00
		9.00
Highways and Bridges	March 15, 1982	11.25
		10.25
		10.50
		9.25
Highways and Bridges	December 15, 1982	9.50
		8.50
		9.00
		7.50
Highways and Bridges	March 1, 1983	8.50
		8.20
		8.50
		6.50
Highways and Bridges	May 1, 1984	10.00
		9.875
		9.00
		8.00
Highways and Bridges	January 15, 1985	8.75
		8.60
		7.80
		7.00
Highways and Bridges	January 15, 1986	7.80
		6.50
		6.70
		6.75
Highways and Bridges	November 15, 1986	6.75
		7.00
		6.60
		5.00
Highways and Bridges	December 15, 1987	8.00
		6.00
		6.20
		6.50

Amount of Issue	Bonded Debt Outstanding July 1, 1987	New Bonds Issued	Matured	Bonded Debt Outstanding June 30, 1988
$ 600	$ 400	$ -	$ 100	$ 300
100	100	-	-	100
1,800	1,200	-	300	900
300	300	-	-	300
3,375	3,375	-	675	2,700
675	675	-	-	675
2,575	1,545	-	515	1,030
2,575	2,575	-	-	2,575
9,100	8,450	-	650	7,800
4,620	4,620	-	420	4,200
1,260	1,260	-	-	1,260
5,175	2,300	-	575	1,725
1,150	1,150	-	-	1,150
1,725	1,725	-	-	1,725
3,450	3,450	-	-	3,450
10,485	5,825	-	1,165	4,660
3,495	3,495	-	-	3,495
2,330	2,330	-	-	2,330
6,945	6,945	-	-	6,945
3,360	2,240	-	280	1,960
560	560	-	-	560
840	840	-	-	840
785	785	-	-	785
3,690	1,845	-	615	1,230
2,460	2,460	-	-	2,460
2,460	2,460	-	-	2,460
3,690	3,690	-	-	3,690
3,000	1,800	-	600	1,200
600	600	-	-	600
600	600	-	-	600
1,800	1,800	-	-	1,800
1,260	630	-	630	-
2,520	2,520	-	-	2,520
1,260	1,260	-	-	1,260
1,260	1,260	-	-	1,260
1,000	1,000		1,000	-
1,000	1,000		-	1,000
1,000	1,000		-	1,000
7,000	7,000			7,000
1,000		1,000		1,000
2,000		2,000		2,000
1,000		1,000		1,000
1,000		1,000		1,000
125,390	92,365	5,000	9,195	88,170

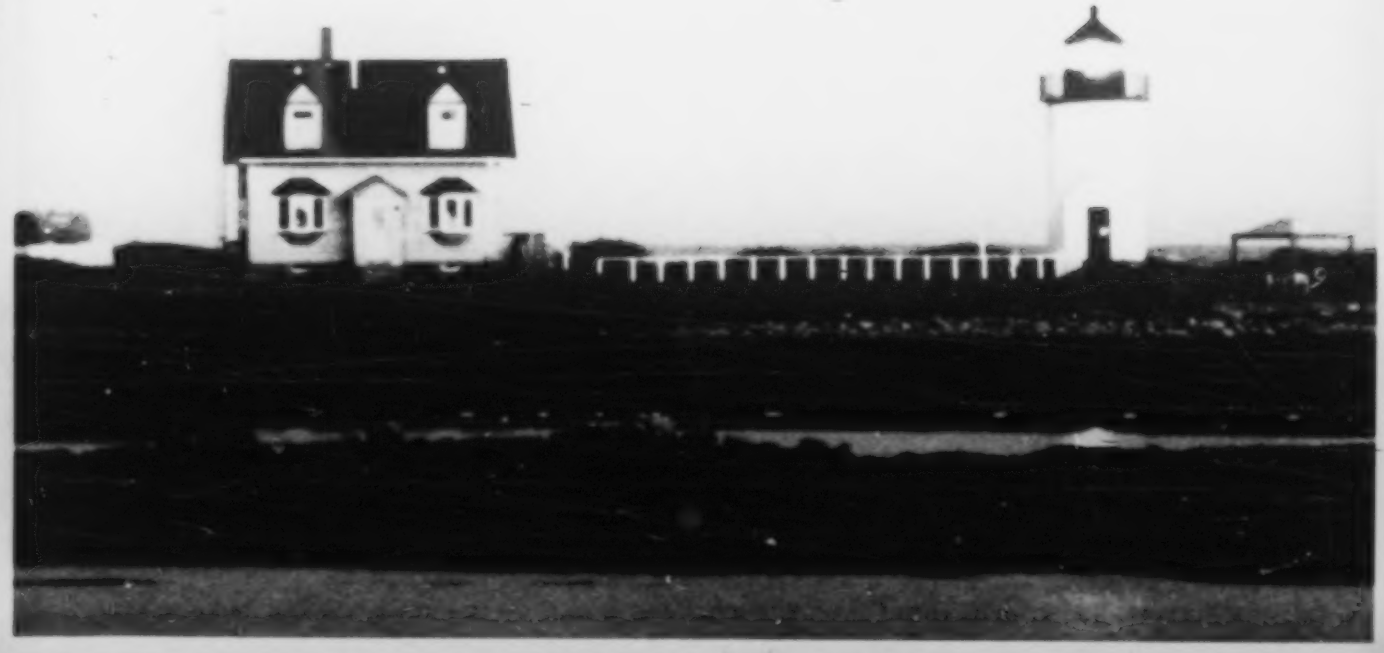
EXHIBIT J-2

GENERAL LONG TERM DEBT

(In thousands of dollars)

Description of Loan	Date of Issue	Interest Rate %
SELF-LIQUIDATING		
University of Maine - Orono	June 1, 1960	3.50
		1.00
University of Maine - Orono	August 1, 1961	3.50
		1.00
University of Maine - Orono	April 1, 1963	3.20
		0.25
University of Maine - Orono	February 1, 1964	3.30
		0.10
University of Maine - Orono	February 15, 1966	3.50
		0.10
University of Maine - Portland-Gorham	March 15, 1978	4.60
State Colleges and Vocational Institutes Student Housing and Dining Facilities	June 15, 1962	3.00
		1.00
	May 1, 1964	0.10
	March 15, 1967	3.40
	March 15, 1968	4.40
		3.00
	March 1, 1969	4.70
		3.00
	April 1, 1980	8.00
		8.30
Maine Veterans Home	May 15, 1981	10.00
		9.00
	March 15, 1982	11.25
		10.25
		10.50
		9.25
	December 15, 1982	9.50
		8.50
		9.00
		7.50

Amount of Issue	Bonded Debt Outstanding July 1, 1987	New Bonds Issued	Matured	Bonded Debt Outstanding June 30, 1988
$ 2,575	$ 1,480	$ -	$ 100	$ 1,380
155	155	-	-	155
2,155	1,365	-	75	1,290
125	125	-	-	125
1,550	1,060	-	55	1,005
95	95	-	-	95
1,510	1,110	-	50	1,060
95	95	-	-	95
4,605	3,360	-	150	3,210
555	555	-	-	555
855	495	-	45	450
14,275	9,895	0	475	9,420
1,415	385		125	260
285	285			285
550	490		60	430
2,150	1,860		150	1,710
3,465	2,775		250	2,525
775	775			775
350	160		40	120
380	380			380
1,190	1,105		85	1,020
400	400			400
110	110		10	100
30	30			30
90	40		10	30
20	20			20
30	30			30
60	60			60
630	350		70	280
210	210			210
140	140			140
720	720			720
13,000	10,325	0	800	9,525
$481,925	$ 296,575	$ 50,270	$ 38,570	$ 308,275



GENERAL FIXED ASSETS

The General Fixed Asset Account Group provides a record of the cost of the land, buildings, improvements and capital equipment which was purchased from Funds other than the Enterprise and Internal Service Funds. The latter Funds maintain their own fixed asset records.

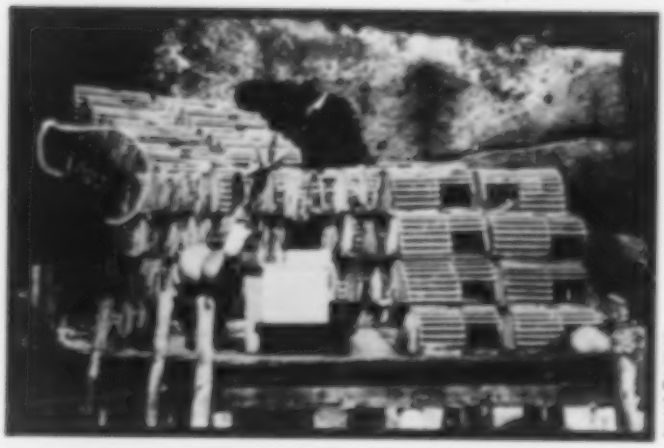
General fixed assets are defined as tangible property having a life of more than one year and costing in excess of $150. They do not include 1) roads, bridges and related highway systems, 2) display items of the Maine State Museum or 3) property acquired by tax lien. Original construction costs have been researched for buildings back to the mid 1800's; Equipment acquired prior to 1950 has been valued at estimated cost. Additions are recorded at cost. General fixed assets are not subject to depreciation.

The following Statement of General Fixed Assets has been prepared from the Bureau of Public Improvement's summary of agency inventory records as of June 30, 1987 which has been amended to reflect the cost of property and equipment acquired in 1988. Dispositions in 1988 are not believed to be material.

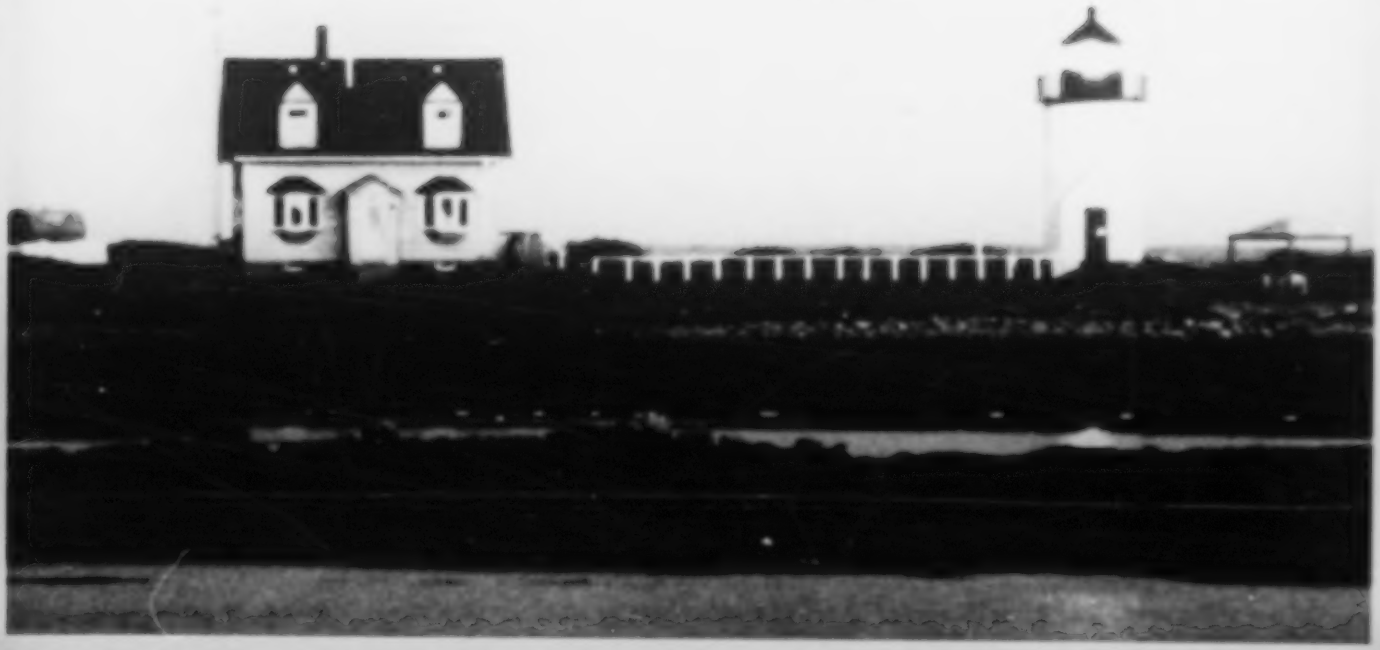
EXHIBIT K-1

STATEMENT OF GENERAL FIXED ASSETS
June 30, 1988

GENERAL FIXED ASSETS	
Land	$ 31,117,645.24
Buildings	150,454,175.15
Improvements Other than Buildings	19,873,985.18
Equipment	97,594,031.66
	$299,039,837.23
INVESTMENT IN GENERAL FIXED ASSETS	$299,039,837.23



Joseph Devaney



STATISTICAL SECTION

EXHIBIT S-1

STATISTICAL DATA

GOVERNMENTAL FUNDS
COMPARATIVE STATEMENT OF REVENUES
LAST FIVE FISCAL YEARS

Fiscal Year	*Taxes	From Federal Government	From Cities, Towns and Counties
1984	$ 879,423,020	$457,349,083	$4,244,233
1985	961,803,201	495,154,244	4,559,850
1986	1,070,229,346	524,914,665	4,155,549
1987	1,246,109,332	558,539,239	6,150,140
1988	1,437,333,081	563,083,209	4,197,178

*See Exhibit S-2 for further details of Taxes.

EXHIBIT S-2

GOVERNMENTAL FUNDS
TAX REVENUE BY SOURCE
LAST FIVE FISCAL YEARS

Fiscal Year	Sales and Use Tax	Income Tax	Gas Tax
1984	$314,702,859	$313,960,092	$ 83,172,130
1985	353,190,435	350,770,108	84,936,512
1986	382,768,561	388,998,852	87,278,317
1987	438,598,443	491,544,194	92,533,514
1988	491,935,557	593,650,574	100,112,908

Service Charges	Transferred From Bureau of Alcoholic Beverages	Transfers From Lottery Commission	Other Revenue
$35,835,173	$32,532,203	$ 4,515,771	$45,660,639
38,098,348	32,950,447	4,429,033	55,933,981
58,585,353	33,297,681	11,845,910	59,487,938
46,198,015	35,293,903	18,205,948	69,233,565
48,124,443	33,778,889	27,266,282	91,746,253

Cigarette Tax	Motor Vehicle Registration and Drivers' Licenses	Public Utilities Tax	All Other Taxes	Total Taxes (As Above)
$28,601,310	$43,362,431	$27,551,701	$ 68,072,495	$ 879,423,020
29,157,874	45,690,971	28,939,578	69,117,723	961,803,201
37,718,229	46,385,315	32,878,002	94,202,070	1,070,229,346
40,325,475	50,332,829	29,099,774	103,675,103	1,246,109,332
41,690,781	57,832,104	50,059,535	102,051,622	1,437,333,081

EXHIBIT S-3

STATISTICAL DATA

BONDED DEBT ALL FUNDS
UNMATURED BONDS AT JUNE 30
LAST TEN FISCAL YEARS

FISCAL YEAR		GENERAL FUND BONDS	HIGHWAY AND BRIDGE BONDS	ALL OTHER
1979	$262,050,000	$185,945,000	$50,935,000	$25,170,000
1980	254,835,000	169,370,000	59,145,000	26,320,000
1981	259,520,000	171,965,000	62,105,000	25,450,000
1982	253,277,000	161,217,000	67,745,000	24,315,000
1983	300,322,000	185,097,000	90,260,000	24,965,000
1984	294,564,216	175,899,216	94,830,000	23,835,000
1985	285,933,813	170,083,813	93,185,000	22,665,000
1986	289,830,000	177,110,000	91,240,000	21,480,000
1987	296,575,000	183,990,000	92,365,000	20,220,000
1988	308,275,000	201,160,000	88,170,000	18,945,000